



This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

- + *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.
- + *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.
- + *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.
- + *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at <http://books.google.com/>

Y4.L11:N21/2

NATIONAL COLONIZATION BILL

HEARINGS

STANFORD
LIBRARIES

BEFORE

THE COMMITTEE ON LABOR

HOUSE OF REPRESENTATIVES

P172-45

SIXTY-FOURTH CONGRESS

FIRST SESSION

ON

H. R. 11329

ILL TO AUTHORIZE THE SECRETARY OF LABOR TO COOPERATE WITH
OTHER DEPARTMENTS OF THE GOVERNMENT IN FOSTERING, PRO-
MOTING, AND DEVELOPING THE WELFARE OF THE WAGE
EARNERS OF THE UNITED STATES, BY CREATING
NEW OPPORTUNITIES FOR PERMANENT
AND PROFITABLE EMPLOYMENT,
AND FOR OTHER PURPOSES

MAY 18, 22, 25, JUNE 5 AND 15, 1916



WASHINGTON
GOVERNMENT PRINTING OFFICE
1916

2
COMMITTEE ON LABOR,

HOUSE OF REPRESENTATIVES, SIXTY-FOURTH CONGRESS.

DAVID J. LEWIS, Maryland, *Chairman.*

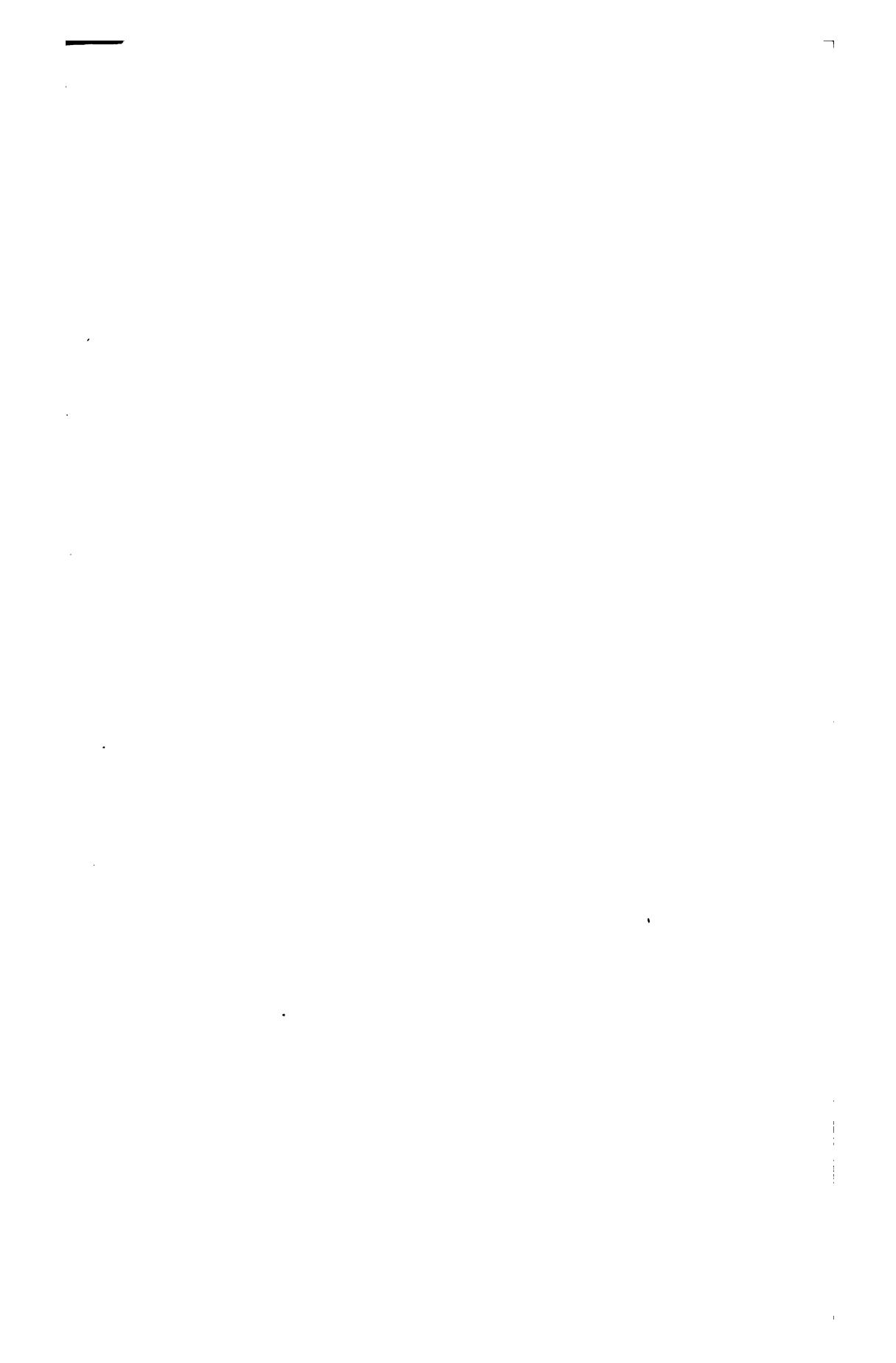
JAMES P. MAHER, New York.
WALTER A. WATSON, Virginia.
EDWARD KEATING, Colorado.
W. C. HOUSTON, Tennessee.
H. W. SUMNERS, Texas.
EDWARD B. ALMON, Alabama.
CARL C. VAN DYKE, Minnesota.

J. M. C. SMITH, Michigan.
EDWARD E. BROWNE, Wisconsin.
JOHN I. NOLAN, California.
JOHN G. COOPER, Ohio.
EDWARD E. DENISON, Illinois.
MEYER LONDON, New York.

CHAS. T. CLAYTON, *Clerk.*

C O N T E N T S .

| | Page. |
|--------------------------------|-------|
| Testimony of witnesses: | |
| Crosser, Hon. Robert | 10 |
| Holder, Arthur E | 38 |
| Howe, Frederic C | 55 |
| Marsh, Benjamin C | 14 |
| Additional statement | 27 |
| Post, Hon. Louis F | 67 |
| Wilson, Hon. William B | 32 |
| Copy of the bill, H. R. 11329 | 5 |



NATIONAL COLONIZATION BILL.

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Thursday, May 18, 1916.

The committee this day met, Hon. Edward Keating presiding.

Mr. KEATING. The committee will come to order. We are here today to consider H. R. 11329, a bill introduced by Mr. Crosser to "authorize the Secretary of Labor to cooperate with other departments of the Government in fostering, promoting, and developing the welfare of the wage earners of the United States, by creating new opportunities for permanent and profitable employment, and for other purposes," which reads as follows:

[H. R. 11329, Sixty-fourth Congress, first session.]

A BILL To authorize the Secretary of Labor to cooperate with other departments of the Government in fostering, promoting, and developing the welfare of the wage earners of the United States, by creating new opportunities for permanent and profitable employment, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of Labor be, and he is hereby, authorized to cooperate with the Secretaries of Agriculture and of the Interior for the purpose of extending the present work of the division of information of the Immigration Service of the Department of Labor in the distribution of workers and in finding and creating new opportunities for permanent and profitable employment for such workers, and for the purpose of ascertaining the measures which may be necessary for relieving unemployment throughout the United States and making recommendations regarding the same to Congress; and the Secretaries, respectively, of Agriculture and Interior be, and they are hereby, authorized, at the request of the Secretary of Labor, to place at the disposal of said Secretary of Labor any information as to the activities, duties, and powers of offices, bureaus, and services under their respective jurisdictions, so far as they relate to labor and its conditions, in order to harmonize and unify such activities, duties, and powers, with a view to further legislation to further define the duties and powers of the said Secretary of Labor; and there is hereby created a special administrative board of three members, to be known as the national colonization board, to consist of the Secretaries of the Departments of Labor, of the Interior, and of Agriculture, of which the Secretary of Labor shall be the chairman, and said board is hereby empowered, authorized, and directed to carry out, through the personnel and other means of said departments, the provisions of this act; and to this end the said board may employ, through the Civil Service Commission, such additional force as may be necessary: *Provided*, That either of the said Secretaries may designate an Assistant Secretary in his department to act on the said board in his stead, and the acts of such Assistant Secretary or Secretaries shall be in all respects as valid and binding as if they were the acts of the Secretary himself. The term "board" or "colonization board" as used in this act shall refer to the national colonization board herein created.

SEC. 2. That the board shall examine, or cause to be examined, areas of land embracing portions of the public domain and reservations owned by the United States and adjoining lands not so owned, said areas including agricultural, desert, grazing, or forest lands, for the purpose of determining the possibilities of organizing on all or any portions of such areas or locations, and in convenient units, projects for colonizing communities of workers in the industry or industries, whether farming, grazing, lumbering, or other, being conducted on or suitable to the particular area; and the board may at any time through the President, and upon his approval, recommend to the Congress the purchase of lands not owned by the United States which are needed for any colonizing project.

The colonization board may, at any time in its discretion and upon the approval of the President, set apart and withdraw from settlement, location, sale, or entry any of the public lands of the United States, including the District of Alaska, and reserve the same as farm-colony reserves for the purpose of colonizing thereon families and persons, in accordance with the provisions of this act.

No land now reserved by the United States, in irrigation or other withdrawals, in national parks, in national forests, or other reservations, shall, by elimination or otherwise, be restored to the public domain nor opened to settlement, location, sale, or entry until after the examination of such lands by the board and its approval of such restoration.

SEC. 3. That the colonization board, after the examination of any area or locations as provided for in section two, shall select therefrom such locations as in the opinion of the board would be most suitable and practicable as colonization projects; and the said board shall make, or cause to be made, for each such location a detailed plan for developing and colonizing the same. Said plan shall in each case provide for the necessary clearing of land; for the construction, maintenance, and operation of the roads, ditches, and other reclamation works necessary to make the land accessible and cultivable; for developing and supplying timber, coal, power, telephone and other services to settlers for their domestic use; for organizing facilities for purchasing, marketing, and other cooperative activities; and for securing any other improvements or services necessary for the efficient organization and development of any community to be colonized on the location. And said plan shall include estimates of cost of all contemplated works and operations, of the quantity, location, and value of the lands and the number of people which can be colonized, and all facts relative to the use and practicability of each colonization project. Upon completion of the plan, with estimates of each project, the same shall be submitted by the board to the President for his approval, and he shall report to Congress at the beginning of each regular session as to the use and practicability of all projects approved by him during the previous twelve months.

The board is hereby empowered, authorized, and directed, in connection with any project, to set aside and reserve from settlement, location, sale, or entry so much of the timber, coal, water-power sites, or other resources owned by the United States as may be necessary to the settlers in said project for their domestic use.

No project shall be undertaken by the board nor submitted to the President for approval which does not offer a reasonable presumption that the soil and other physical conditions and the markets and other economic conditions involved in such project will permit of immediate, continuous, permanent, and profitable employment for the settlers being located and colonized therein.

SEC. 4. That the title to all lands whatsoever retained or acquired by the United States and included in farm-colony reserves or in irrigation or other withdrawals, or in national parks, national forests, or other reservations, the same being included in any colony project, shall remain forever in the United States Government; and the colonization board is hereby authorized, under such rules and regulations as it may establish and subject to the provisions of this act, to issue to any person over twenty-one years of age who is a citizen of the United States, or who has declared his intention of becoming such, a terminable permit or lease for the use of agricultural or grazing land owned by the United States Government.

No permit or lease for the use of any parcel of land shall be issued except to the person by whom said land shall be actually used and occupied and during a period only in which said land shall be used and occupied by said person or the designated heirs or assigns thereof; and the question of fact in any particular case of what is actual use and occupancy within the spirit and purpose

of this act shall be determined by the colonization board, subject to appeal to the district Federal court in the district in which such land is located, which court shall proceed in the same manner as in cases for the condemnation of land; and any permit or lease of land decided as not being used or occupied as aforesaid shall be subject to cancellation by the board.

The total area of land, agricultural, grazing, or both together, the use of which is allowed by the board, under one or more permits, leases, or both, to any one person during any period, shall not exceed that which, in the opinion of the board, is sufficient to support one family; and in no case shall such area exceed three hundred and twenty acres of agricultural land or six hundred and forty acres of grazing land: *Provided*, That two or more persons holding permits or leases under this act may operate their holdings under cooperative agreements approved by the colonization board.

SEC. 5. That the aggregate cost of all improvements involved in any colonization project for making lands therein accessible and cultivable, as provided for in section nine, together with the cost of surveys and examinations therefor and of all organization work in connection with said project, shall be assessed by the board against each farm, ranch, or other parcel of land (owned by the United States within such project and opened to use under permit or leave) upon the basis of benefits and damages thereto; and a charge to be known as the "improvement charge" shall be collected each year by the board from the permittee or lessee equal to four per centum of the total cost of improvements assessed against the parcel of land in question plus a fraction, fixed or variable, of said total cost sufficient to reimburse to the Government such cost in a period not exceeding fifty years, to be determined in each case by the colonization board: *Provided*, That the permittee or lessee may, at any interest-paying time, pay the balance remaining unpaid of the total cost, including interest charge, or any proportion thereof: *Provided further*, That whenever the total cost of improvements assessed against any parcel of land shall be paid to the Government, with annual interest at four per centum on balances previously unpaid, no further improvement charge shall be collected. All improvement charges collected shall be paid in to the "colonization fund" of the Treasury of the United States hereinafter provided, to be used as provided for in section eight.

A charge to be known as the "tax charge" (in addition to the improvement charge hereinbefore provided), such tax charge to be a reasonable percentage of the assessed value of the land, shall be collected each year by the board from the permittee or lessee. From the tax charges so collected there shall be paid by the board equitable proportions thereof to the State, county, and other local governments rendering services within the area of the colonization project, corresponding to the local current tax rate, but not to exceed three per centum of the said assessed value; and the remainder of the said tax charge shall be paid into the "colonization fund" of the Treasury of the United States, to be used as provided for in section eight.

All improvement charges and tax charges shall be paid in annual installments to such local officers and under such rules and regulations as the board may determine, and a failure to make payments for two successive years shall render the permit or lease subject to cancellation by the board, with the forfeiture of all rights under this act: *Provided*, That in no case shall the board allow any permittee or lessee to continue in occupancy after three successive installments shall be due and unpaid: *Provided further*, That the board shall ascertain the total amount paid by the permittee or lessee toward the cost of improvements, and deduct therefrom the amount of depreciation of said improvements and shall pay the balance to the said permittee or lessee (whose right of occupancy is so forfeited). The permittee or lessee may appeal from the decision of the board to the district Federal court in which such land is located, which court shall proceed in the same manner as in cases for the condemnation of land.

SEC. 6. That there is hereby created in the United States Treasury a fund to be known as the "colonization fund," to be expended by the board for carrying out the provisions of this act, and the Secretary of the Treasury is hereby authorized and directed, upon request of the colonization board, to transfer from time to time to the credit of the colonization fund such sum or sums, not exceeding in the aggregate \$50,000,000, as the said board may deem necessary, to be used from time to time for carrying out the provisions of this act; and such sum or sums as may be required to comply with this authority are hereby appropriated out of any money in the Treasury not otherwise appropriated: *Provided*, That

the sums hereby authorized to be transferred to the colonization fund shall be so transferred only as such sums shall be actually needed by the board: *Provided further*, That all sums so transferred shall be restored to the Treasury from the improvement fund, as hereinafter provided.

SEC. 7. That for the purpose of providing the Treasury with funds for such advances to the colonization fund the Secretary of the Treasury is authorized to issue certificates of indebtedness of the United States in such form as he may prescribe and in denominations of \$20, or multiples of that sum; said certificates to be redeemable at the option of the United States at any time after ten years from the date of their issue and to be payable fifty years after such date and to bear interest, payable semiannually, at not exceeding three per centum per annum; the principal and interest to be payable in legal tender of the United States. The certificates of indebtedness herein authorized may be disposed of by the Secretary of the Treasury at not less than par, under such rules and regulations as he may prescribe, giving all citizens of the United States an equal opportunity to subscribe therefor, but no commission shall be allowed and the aggregate issue of such certificates shall not exceed the amount of all advances made to said colonization fund, and in no event shall the same exceed the sum of \$50,000,000. The certificates of indebtedness herein authorized shall be exempt from taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and a sum not exceeding one-tenth of one per centum of the amount of the certificates of indebtedness issued under this act is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to pay the expenses of preparing, advertising, and issuing the same.

SEC. 8. That certain proportions of the receipts of the colonization fund shall be paid into the general fund of the Treasury of the United States, until payments so made shall equal the aggregate amount of advances made by the Treasury to said colonization fund, together with interest paid on the certificates of indebtedness issued under this act and any expense incident to preparing, advertising, and issuing the same: *Provided*, That said transfer of receipts shall be made at such times and in such proportions as the President shall direct: *Provided further*, That all receipts of the colonization fund in excess of the amounts of advances made by the Treasury, as heretofore provided, to said colonization fund which shall have been restored, shall be used by the board in accordance with the provisions of this act for instituting new colonization projects and for developing projects which shall have been established, and any sum or sums from said colonization fund used for making lands accessible and cultivatable, or for making surveys and examinations therefor, or for any organization work in connection with any project, shall, together with annual interest at four per centum on unpaid balances of said sum or sums, be assessed by the board against the appropriate land and collected as an improvement charge, in accordance with the provisions of section five, and when so assessed and collected the said sum or sums shall be returned by the board to the colonization fund, to be used over again indefinitely by the board for like purposes.

SEC. 9. That upon the determination by the national colonization board that any colonization project is practicable, and upon approval of such project by the President, the said board shall let contracts, in definite portions or sections of the operations to be undertaken (providing the necessary funds for such portions or sections are available in the colonization fund) for clearing the land of timber or stumps and for constructing necessary roads, drainage ditches, and other reclamation works and improvements, and shall maintain and operate the same for the purpose of making the land accessible and cultivatable.

The board shall thereupon, through the Labor Department, give public notice of the lands ready for settlement within such project, and the limits of area of single farms or ranches, and the improvements and tax charges thereon per acre, and all other facts necessary to properly inform any prospective settlers as to the project; and the board shall, through said Department of Labor and as soon as possible, bring together, colonize, and locate upon the land a body or group of persons or families as settlers, in the requisite number, who are presumably most suitable to the conditions of such project and who will be the most benefited thereby.

Upon arranging for the location of said settlers in such project the board shall arrange for developing local timber growth, coal deposits, water power, or other resources owned and reserved for the purpose by the United States, and for constructing power plants, transmission lines, telephone lines, and other works, and to maintain and operate the same for the purpose of providing to the settlers

at cost prices, and for their domestic use only, lumber, coal, power, light, telephone, and other domestic services.

The board shall, in addition, organize, or aid the settlers in organizing, facilities for the cooperative purchasing by said settlers at wholesale prices of farming and domestic equipment, supplies and material; also facilities for the cooperative marketing by said settlers of their farm products; and any necessary cooperative buildings or structures may, in the discretion of the board, be built and maintained out of the colonization fund, the same to be assessed against the appropriate lands (on the basis of benefits derived) within the project and to be collected as part of the improvement charges.

The title to all works, buildings, and improvements constructed or made on any lands belonging to the United States within any colonization project, under authority of this act, shall remain forever in the United States, subject to the right of assignment of the use thereof as hereinbefore provided.

The term "settler" or "settlers" as used in this act shall refer to any and all persons, with their families, living permanently on land within any project and occupying and using the same for farming or other productive purpose or permanently employed within any project in logging, sawmilling, tree planting, or other forest operation or in construction work or clearing land or other operations being conducted under any contract authorized in this act.

The term "domestic use" as used in this act shall include the use by any settler or settlers of any resource for their direct personal welfare or for increasing the productivity of their lands, but shall exclude the use of any resource for purposes, directly or indirectly, of sale or profit.

SEC. 10. That the national colonization board shall, from and after the passage of this act, execute or cause to be executed all laws affecting any forest reserve or national forest, or any portion thereof, included within any colonization project, and all timber-sale contracts applying within such projects shall be made by the board in conformity with a plan for maintaining as far as possible a continuous and sustained annual yield and cut of timber within the area of the project, to the end that continuous and profitable employment may be provided for settlers whom the board may colonize as being suited to and desirous of work in the operations of logging, sawmilling, tree planting, or other forest industries.

SEC. 11. That all operations provided for in this act shall be governed by provisions as stated in this section, and such provisions shall be embodied as terms in every contract (whether a contract for construction, timber sale, or other purpose involving labor) which is authorized under this act:

Eight hours shall constitute a day's work.

The minimum wage per day of eight hours' duration for any class of labor shall be not less than the average wage per day of average duration received in the locality by the respective class of labor working under conditions equivalent to those prevailing in operations conducted under this act.

All wages shall be paid at intervals not greater than sixteen days.

No person under the age of sixteen years shall be employed for any purpose whatsoever.

No contract shall be sublet without the consent of the colonization board, and said board shall require in any contract for subletting that the appropriate provisions of this act be embodied as terms therein.

SEC. 12. That the colonization board is hereby empowered, authorized, and directed to make all necessary rules and regulations (the same to be embodied when required as terms of contracts) and to establish the necessary services—

To insure the safety of workers in the operations provided for in this act.

To provide for just and reasonable compensation to all workers in any operation or to their dependents, who may be injured or killed in the course of their work.

To provide for a system of insurance of workers employed in all operations under this act in cases of sickness, injury, or death.

To provide for an adequate system of sanitation, housing, and general living conditions for the workers engaged in any operation under this act.

To promote the skill, interest, and efficiency of workers in any operation.

To conduct operations where desirable to set a standard of efficiency for contractors; also in case reasonable contracts can not be secured.

To provide for the sale of any surplus water or electric power, or of any lumber or coal development, in connection with the operations of supplying said resources to settlers for their domestic use.

SEC. 13. That the colonization board is hereby authorized to negotiate and cooperate with the owner or owners of any lands within or near public lands or reservations covered by a contemplated colonization project, whether such owner or owners be any individual, State, corporation, firm, or other concern, for the purpose of adapting, as far as may be practicable, the development and settlement of said lands to the colonization project involved; and the board may use the colonization fund to survey and examine such lands and formulate a plan for their development and settlement.

SEC. 14. That in case some plan made as provided for in section thirteen can be agreed upon by the board and by the respective landowners involved, the board may further use the colonization fund to carry out such plan: *Provided*, That said plan shall be in conformity with the ultimate purpose of this act as stated in section sixteen, and that written agreement be made that the plan shall be carried out and applied under the supervision of the board: *Provided further*, That all moneys from the colonization fund used under authorization given in this section shall be returned to said fund out of charges made against the land in question, in such installments and within such period, not exceeding fifty years, as the board may specify, and no moneys shall be thus advanced until guarantees satisfactory to the Secretary of the Treasury shall have been made for the reimbursement of the same to the said fund: *And provided further*, That the total sum advanced as aforesaid for any one project shall not exceed the total of sums advanced for like purposes upon said project from sources other than the United States Government.

SEC. 15. That the provisions of sections thirteen and fourteen of this act shall, in addition, apply to colonization projects in cooperation with any individual, State, corporations, firm, or other concern for their lands wherever located in the United States, whether or not said lands be in the vicinity of any public lands or reservations.

SEC. 16. That the colonization board is hereby authorized to delegate to any of its agents such of its powers and duties under this act as it may deem necessary; and said board is further empowered, authorized, and directed to make such rules and regulations and establish such services as may be necessary and proper for carrying out the ultimate purpose of this act, said purpose being to so utilize or cause to be utilized the resources within the United States, however owned, as to secure for actual or prospective American citizens permanent and profitable employment.

SEC. 17. That all acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

Mr. Crosser desires to be heard.

STATEMENT OF HON. ROBERT CROSSE, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO.

Mr. CROSSER. Mr. Chairman and gentlemen of the committee, as the title of the bill indicates, its purpose is to provide new opportunities for employment. Of course, as all students of the subject know—in fact, it does not take a student to realize that land is always essential to labor. All wealth comes from the earth. Therefore it occurred to me that a very proper method to pursue toward the solution of the labor question would be to provide means whereby those who desired might find an opportunity to apply their labor to the land, and I conceived the idea of having the public lands of the United States and other lands now in private ownership, but which the Government might get at a reasonable price, set aside for the purposes I have indicated. I have suggested in this bill that the Secretaries of Labor, Agriculture, and Interior cooperate toward this end and have denominated them as a colonization board, whose duty it should be to look over the lands of the United States which are at present public lands and other lands such as I have suggested, with the idea in view of determining what would be suitable for the pur-

pose of colonizing those people who would like an opportunity to develop the lands.

It is provided in the bill that there shall be established a colonization fund amounting to \$50,000,000. That is a rough estimate. Of course, it would have to be increased afterwards in order to work out the idea in an entirely satisfactory manner, but the bill provides \$50,000,000 as a fund to start with, and which should be loaned to those who might seek the opportunities provided for in the bill, and should be loaned in this way: That the colonization board could examine into the subject; if they found it was a proper place at which to establish a colony, or whatever it might be called, they should loan to the different men or women who might decide to take up a tract of land a sufficient amount to maintain their families, the amount of land taken up in no case to exceed 320 acres, and the amount loaned to be such proportion of the value of the improvements to be made as the colonization board might think proper. Not only that, but when there were enough people gathered together in any one place to form a substantial community, that the Government may develop public utilities, like electric-light works, sewerage systems, water-supply systems, and everything that goes to make up a comfortable and decent community.

One of the troubles at the present time in some parts of the far western country is, even where a man has a chance to go out and work on the land that is reasonably cheap, the fact that he is alone there, without any community cooperation, and that prevents him from enjoying life even to the smallest degree. It is a case of almost living in a hovel—living a dog's life. This bill would authorize the colonization board to establish these different public utilities and public service and charge the same against the land or against these different tenants who may be allowed to go upon the land in question. It is provided further that the United States Government through the colonization board shall pay to the local government, which might have jurisdiction over the land, the taxes assessed against the land and deduct that amount so paid from the interest and the tax or rent that they might get from the land itself. They would not deduct it from the interest, but from the reasonable percentage, say 5 or 6 per cent, which they would collect on the value of the land which would be held; they would deduct from that the amount of the taxes, which might be charged against that land by the township, the municipality, the State, or the other local government, which might have jurisdiction to tax the land. The United States Government would pay that amount and deduct it from what it collects in the way of tax or rentals equal to the normal rate of interest, which, in my part of the country would be about 6 per cent on the actual value of the land. If there was any balance the board would take charge of it, although I doubt very much whether there would be any balance. This, in a general way, explains the plan.

I will not undertake, at this short hearing and with so few members of the committee present, to go into the details of the bill. However, I want to call the attention of the committee to the last annual report of the Secretary of Labor, or at least to certain sections of it, under the head of "Labor distribution." The Secretary of Labor, after discussing the making of new opportunities for employment

and for getting the jobless man and the manless job together, goes on to say:

It will not be enough to hunt "manless jobs" for "jobless men." Any efficient public employment service of a national character must go beyond that. Unless it does, "manless jobs" giving out while "jobless men" remain, the causes of involuntary unemployment will continue to express themselves to the great prejudice of the wage-workers of the United States, and, consequently, to the harm of all industrial interests. In my opinion, therefore, the labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

For this purpose further legislation will be necessary. But it need not be either voluminous or revolutionary. Nothing more is required than a judicious utilization of Government lands.

Title to some of the old public domain still remains in the Government. By a recent decision of the Supreme Court Congress is soon to have the power, and to be under an obligation, to treat with land-grant railroads regarding the terms on which large areas of that domain heretofore granted away may be restored.

Mr. LONDON. What decision does that refer to?

Mr. CROSSER. That is the decision rendered by the Supreme Court of the United States in regard to the Union Pacific Railroad, I believe, although I am not quite certain whether it was the Union Pacific or the Southern Pacific. However, it was one of the Pacific railroads. That company had gotten thousands and thousands of acres—yes, square miles, of land given to it by the Government years ago on the condition that it would sell the land at a price not exceeding \$2.50 an acre. Instead of that the railroad company proceeded to sell it for a great deal more than that and sold the timber for more than \$2.50 an acre. The Government then contended that the company had violated the contract and that, therefore, the title to the land reverted to the Government as a consequence. But the Supreme Court held that that had not happened and rendered a sort of compromise decision in which they said that they would hold the matter in abeyance until Congress had had an opportunity to reimburse the railroad company, or buy back, so to speak, at \$2.50 an acre, the remaining land.

There is a bill for that purpose now pending before the Committee on Public Lands of the House, which bill they are trying to have passed, as I understand. While I think it is unfortunate, of course, that the Government must pay \$2.50 an acre for what really belongs to it, yet, rather than see this land get into the hands of monopolistic institutions I would prefer to see the Government pay \$2.50 an acre and get back those very large areas of very good land. The real difficulty will come when the Government undertakes to make provision for giving it away again, and I am afraid it is likely to do exactly what it did before, namely, provide for parcelling it out to alleged homesteaders who will almost immediately find that their lands have gotten into the hands of a few speculators, as always happens under that method of treatment. It is to prevent this result as well as accomplish other things that I propose this measure.

Now to continue with my reading of the report of Secretary of Labor. It continues:

There are extensive areas of privately owned but unused farming land in most or all of the States, which might be acquired by the General Government for promoting labor opportunities as advantageously as other areas have been

acquired or retained by it for the creation of public parks. If Congress were to adopt, with reference to those lands, a policy of utilizing them for promoting opportunities for employment, the benefits of the labor-distribution work of this department, and of State and municipal public employment offices throughout the United States, would be vastly augmented.

For such a policy the homestead laws seem to afford a legislative basis and their history to furnish valuable suggestions. Those laws relieved the industrial congestions of their day by opening the West to workers of pioneering spirit who set up individual homes and created independent farms in waste places. But the day of the individual pioneer is over. From the Atlantic he has moved westward until the Pacific throws him back again into crowded spaces, and new forms of industrial congestion have consequently developed. To the relief of these, the old form of homesteading is not adapted; but the homesteading principle persists. The problem is how to adapt that principle to changed circumstances.

One necessary condition is that the General Government shall retain title to the public lands it already holds. Another condition is that from time to time it shall reacquire title to such lands formerly owned by it but now privately owned, as are held out of use and may be reacquired upon reasonable terms. Still another condition is that the Government from time to time shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment. All this need not be done at once. A satisfactory beginning may be made with public lands available for the purpose in question. But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities. Regulation of private tenures created pursuant to this purpose should fit the circumstances of particular cases. It is therefore suggested that private titles to lands set aside for the indicated purpose to be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values. This precaution is of extreme importance. Wherever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed.

There is still another essential condition. Equipment for farming and education in farming, as well as a place for farming, are needed. All three, however, could be met by an appropriate unification of some of the activities of the Departments of Interior, of Agriculture, and of Labor. Pursuant to such unification, Congress might provide a "rotary fund" for lending purposes; that is, a fund to be used over and over again for those purposes, and to be maintained by repayments of loans. Out of this fund Congress should authorize the departments named above to make loans, through the Department of Labor, to settlers placed by this department upon lands set aside for that purpose in accordance with the authorized plan for thus augmenting labor opportunities. Those loans could be safeguarded, without commercial collateral, by resting them upon the best possible basis of industrial creditability, opportunity, and character—and by establishing in connection with them a system of community credits adapted to the circumstances.

By their educational processes the Departments of the Interior and of Agriculture could make efficient farmers of inexperienced but otherwise competent workers seeking that vocation. By its marketing plans the Department of Agriculture could guard borrowers from the "rotary fund" against commercial misfortune in disposing of their crops. By its labor-distribution functions the Department of Labor could bring the right men to the right places on the soil and settle them there under favorable circumstances. And by their several appropriate functions these three departments, cooperating under appropriate legislation, could multiply demands for labor in rural regions and minimize labor congestion at industrial centers.

I consider the following to be most important:

It is a reasonable prediction that such a policy would develop in country and city an economically independent and socially progressive population. The results would be analogous in our time to those of the homestead laws at an earlier period.

Mr. LONDON. Have you any statistical data as to the public lands still available?

Mr. CROSSEY. I can not give it to you in exact figures, but I will try to get it before the next hearing. I had that in mind, but I have not had time to secure it.

Mr. KEATING. You can secure such data by calling on the Interior Department.

Mr. CROSSEY. I have arranged to call Mr. Davis, who can give that information.

Mr. LONDON. And the extent of the public lands that are likely to revert to the United States after successful litigation against the railroad corporations?

Mr. KEATING. We have such a bill pending before the Committee on Public Lands at the present time. While I am not a member of that committee, I am familiar with the California-Oregon land-grant case.

Mr. CROSSEY. That is the one I was trying to describe a few minutes ago when Mr. London asked me his question. I think I stated it correctly as far as the facts are concerned and the principle involved. The committee will note, therefore, that I have followed pretty closely the recommendation of the Department of Labor on this particular subject. If we can relieve the congestion in the so-called labor market in this way we will not only give a great deal better opportunity to those men who see fit to take up these lands which it is suggested be set aside for their use, but it will enable men in other parts of the country, both in the factory and on the farm, to get a better return for their labor in view of the fact that competition for an opportunity to labor will be much lessened.

Now, I do not want to talk any longer this morning, because I am here all the time. Mr. Marsh is here from New York; he wants to make a statement, and I know that he can give us a lot of very valuable data and information. I suggest that the committee hear him and that I give you more elaborate data at the next meeting if you will listen to me.

STATEMENT OF MR. BENJAMIN C. MARSH.

Mr. MARSH. I am secretary of the New York Congestion Committee. The New York Congestion Committee has been trying for a number of years to prevent congestion in various ways, and we have been astounded to find to how great an extent poverty is the cause of congestion in cities and all the evils that result therefrom. During the past year we have made an inquiry, which covered nearly every State in the Union, as to what are the greatest difficulties in getting people to work on farms and the greatest hindrances to farm ownership. I will be glad to submit later to each member of the committee a copy of that report, because you have not time to go into it, of course, to-day.

Mr. KEATING. Do I understand that it was a Nation-wide investigation?

Mr. MARSH. Yes. We communicated with the secretaries of state and with other State officials in every State of the Union, and we heard from all but four or five. The data is all summarized in a pamphlet of some 24 pages, which I will send to the committee after this hearing, because I think it would be of interest to every member of the committee.

Mr. KEATING. It might be well, if I may be allowed to make the suggestion, to summarize the results of that investigation and incorporate the summary as a part of your remarks.

Mr. MARSH. I will be very glad to do that.

Mr. KEATING. I think the committee would like to have such a report.

Mr. BROWNE. Is this congestion committee a private committee?

Mr. MARSH. It is a private committee; yes. Mr. Allen Dawson, of the New York Globe, is chairman, and Commissioner Frederick C. Howe is a member of the committee. The committee is made up of that sort of people. They are all in New York City, of course. Nearly every State, however, replied that the difficulty in getting people onto the land was lack of money or lack of credit, which is the same thing. I want to give the testimony, which is incorporated in that pamphlet, of an organization known as the Jewish Immigration and Industrial Aid Society of New York City, which is one of the best arguments which I have ever seen in favor of that which the Crosser colonization bill undertakes to do. This society, the Jewish Immigration and Industrial Aid Society, has a capital, as I recall, of about a million and a quarter dollars; they have placed a good many people on the land; and here is the statement, which I will quote verbatim; and if you are going to have a subsequent hearing I am going to suggest that Mr. Robinson, of that society, be asked to appear, because he has had intimate experience with this sort of thing all over the United States.

Mr. BROWNE. What is his full name?

Mr. MARSH. I do not know exactly, but I think George L. I wrote to several organizations and asked them to be represented here, but I have been unable to get anyone else to come, I am sorry to say. I have been away myself until about a day or so ago. But here is the statement:

On the whole, we would not feel warranted in advising any man to buy a farm unless he had a minimum capital of \$1,000. Even then he will need our assistance. Without it \$1,500 to \$2,000 is little enough. The same holds good even in homesteading on Government land where the land costs nothing.

I pause here to interpolate that the people of whom I have knowledge are without capital. Some of them have nothing, and I think that Mr. London, from his own knowledge of conditions in New York City, will confirm that statement.

Mr. LONDON. I know quite a number of people who have nothing.

Mr. MARSH. Now, I made some little inquiry as to the available Government lands, and, as my memory serves me, there are something over 200,000,000 acres, or maybe 232,000,000 acres, available. But here is the interesting point: I analyzed it State by State as to the sort of land that was available, and I found that it was described as arid land. It is rocky and mountainous land, and it needs irrigation. Of course, it will require a great deal of effort and work and the investment of capital in order to make it productive.

Mr. LONDON. That is something beyond the power of individual accomplishment.

Mr. MARSH. The individual personally can not compete with that situation. Now, may I give you gentlemen a few figures I have taken from the official reports on the subject of the concentration of ownership of farm lands? These are figures from the reports of the Census

Bureau for 1910. I tried to get the figures for 1915, but they informed that they have not been compiled, so that, while 1910 seems to be a long time ago, it is the last year for which these figures are available. In 1910 there were, in round numbers, 878,000,000 acres of farm lands in the country. Fifty thousand one hundred and thirty-five holdings comprised 167,000,000 acres in tracts of 1,000 acres or over; and 195,295 holdings comprised 84,000,000 acres in tracts of from 500 to 999 acres. Now, the individual, who living in New York City—

Mr. LONDON (interposing). How were those figures gathered?

Mr. MARSH. By the Census Bureau. They are compiled figures showing the size of the holdings. For instance, the area in farms under 20 acres was something over 8,000,000 acres, and the area in farms of from 20 to 49 acres was over 45,000,000 acres, etc. I have the figures here showing the size of the tracts in which the land is held. Now, of course, these land values are increasing constantly, and the increase in the value of farm lands, or, to be accurate, I should say the increase in the selling price of farm lands, is one of the greatest menaces to the man of small means who wants to go on the farm.

I would like to submit later, but I will not go into the details at this time, the figures given by the Census Bureau which show that on the small farms the value of the improvements is very much greater in relation to the farm value as a whole than it is in the case of large tracts of land, and that would naturally be the case. These facts, however, indicate the great need for just what the Crosser colonization bill will achieve; that is, by giving the individuals a start in farming and saving them from exploitation by land speculators and money sharks. Now, aside from the lack of money, people have a good deal of fear about going on a farm. Those people who live on the east side and have what we call east side ideas, do not like to go to farms. They are afraid to go. I know that this will be regarded as a paternalistic enterprise or project on the part of the Government. The trouble is that we have confined, or, at least, we have largely confined, our so-called paternalistic activities to the concentrated population or congested population of the large cities. We have been doing more for the people in our great cities than we have ever conceived or imagined it would be possible to do for them on farms. There are two things that must be done and they are provided for in this colonization bill: First, the Government has got to help the people to get the land; it has got to save them from exploitation under the present system of taxation after they get on the land, and then it has got to provide for that community cooperative effort which, it seems to us, is remarkably well provided for under this proposed colonization bill.

I want to refer also to the point which was raised by Congressman Crosser—that is, that we believe this bill meets the difficulty raised by the Secretary of Labor in his report for 1915 in regard to the inflation of land values, by taking a large part of the ground rent into the Public Treasury and also relieving farmers of their burdensome taxes. As the Secretary of Labor stated, "whenever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed." Now, the statistics give figures showing that 1 per cent of the farm lands of the country in 1910 was held in tracts of 20 acres or less. In round numbers there

were 839,000 such small farms. Of course, the proposed bill, as I understand it, provides that each family can hold 320 acres of agricultural land or 640 acres of grazing land. That would be the maximum, as I understand it, but probably in many cases they would not want to start with anything like that amount of land, and the maximum they would take, as I understand it, would be such a tract of land as they could make profitable use of.

Mr. KEATING. Some time ago I discovered that the Imperial Government of Russia in determining what was a homestead undertook to follow the common-sense plan of saying that in one section of the country it might contain 20 acres, while in another section of the country it might contain 640 acres, or more. In other words, they undertook to make the homestead a sufficient amount of land to support a family, which has not been our theory in this country. We have arbitrarily fixed homesteads at 160 acres, and later at 320 acres, and now, in a bill that has passed the House and is now pending before the Senate we have placed the limit at 640 acres; while, as a matter of fact, in a great many sections of the country 40 acres or 80 acres of public land would be a sufficient amount for a homestead, or a sufficient amount to support a family. In some sections of this country, it is true, 640 acres would not be sufficient for the maintenance of a family. There are a number of such sections in my own district.

Mr. MARSH. In Colorado?

Mr. KEATING. Yes, sir.

Mr. MARSH. Of course the term "homestead" is a general one. If you go into the business of intensive gardening near a large city, or within marketing distance of a large city, a tract of 30 or 40 acres would probably be adequate for market gardening purposes. I think that these figures show that the average sized farm in the Western States is much larger than the average farm in the Eastern States. Now I want to say that this is not a new idea, of course, except in this country. In England they have taken up the so-called small holdings and allotment act under which the Government does substantially what is proposed in this bill. The Government buys the land, and the people, as I understand it, draw for it, both in England and Ireland. The Government gives them the land free, but I think that this proposition is vastly superior to that. It has been two or three years since I studied carefully what was being done in England, but I visited some portions of the country some years ago.

This bill provides for a proper system of taxation to encourage rather than to discourage the farmer, by providing that the ground rents shall be taken, as Mr. Crosser has outlined, and a distribution made of them between the various taxing powers and jurisdictions in the district. I want to say, too, that while recognizing the importance of this measure, we want to call attention to the menace involved in the increasing selling price of farm lands, and to emphasize the fact that one of the very important aspects of this bill is that it provides against that condition by permitting the community created values to revert to the community. One of the most encouraging developments in England in recent years is the garden-city idea, which is along the same line for small manufacturing centers as is contem-

plated in this plan for the farm community. Under this plan, at Leftwich Village, one of the best known of the communities, which is only 40 miles out of London, all the Crown lands are opened for public use. The title to practically all the Crown land remains in the community, in the city, or corporation, rather than in individuals.

There is another point I want to make. I might note, in passing, that to my mind this is one of the few sane preparedness measures that has been proposed. It is the real sort of preparedness to which we can afford to give much larger attention and preparation than to the sort that culminates in a Wall Street fostered and Wall Street engineered parade in New York City. Now, there is another point: The proposed rural credits bill, we have been told, is a substitute for what is contemplated in this Crosser bill. I mention this because it seems to us that just the reverse is true. Without any disparagement of the objects sought to be accomplished by the rural credits bill, I would say that we must remember that it has a fatal weakness. A man must own his land before he can get any credit on it, and the moment you reduce the interest rate, you increase the selling price of the land, and I should say it is doubtful whether this rural credits bill will materially help the small farmer. It may help the man who has some land, but it is not going to help, as far as we can see, the man who is in the city and who wants to get on the land, but who has no land on which he can get credit for a loan. As soon as he gets money on a $4\frac{1}{2}$ per cent loan the landowner will be in a better position to buy some more land, and he will probably want to have more because of the low interest rate he would be getting.

Now, that danger of increasing the selling price of land is met by this Crosser colonization bill, and it is very wise, it seems to us, that such a large measure of initiative and discretion is left in the colonization board. That is true, because this is necessarily an experiment, and, in my judgment, one of the things which the Government should do is to experiment, but it should experiment, as this bill provides, with the welfare of the people in mind, and not do it, as is usually done, by lending the Government credit to big corporations, as is sometimes done in subway contracts. This, as I say, is in the nature of an experiment, and there will be some mistakes made unquestionably, but there are bound to be mistakes made in any enterprise, or, at least, as I intended to say, there is the danger of mistakes. But this is distinctly a measure which our Government should undertake, and it should safeguard it so there would be the minimum possibility of mistake. Certainly it is bound to result in a great deal of good to the people, whom we have in increasing numbers, who are discontented with life in the cities, and who are a menace, because they are going to compete with men employed in the industries and will pull down wages all around. I am sure that no member of this committee is fooled by the fact that we have to-day better industrial conditions than we had three or four years ago. Of course, we realize the fact that it is not a question of one party or another, but this temporary prosperity which we have is in great part fictitious and is based upon war conditions.

In all probability at the conclusion of the war we are going to be confronted with a very serious industrial problem, and this bill ought to be passed this year, because it will take a few months to get the machinery outlined in the bill in operation. It is one of the most

important measures which can be adopted by Congress, because, while this fund of \$50,000,000 would reach comparatively few people, it is a rotary fund. As I say, this is one of the most important measures that Congress can adopt, in view of the conditions that are bound to confront us in a year or two at the conclusion of the war, or at least within two or three years. It is a measure that should be adopted, because it seems to us, as Mr. Taft said in his Winona speech in 1909, we have given away all the good land in the country practically, and now those who come for land must take the second best, third best, or land that is of no value at all. This is a measure which, I think, will receive very widespread approval. We have not carried on any vigorous campaign for it, but, as was stated by Mr. Crosser, we feel that it is such an important measure that we will be glad to cooperate in bringing the matter to the attention of the people throughout the entire country.

Now, if you have some questions, I shall be glad to answer them to the best of my ability.

Mr. LONDON. How much of the 230,000,000 acres of public land is usable for purposes of cultivation?

Mr. MARSH. That is a point on which I can not answer, but I presume it could be answered by some Government official. However, while it has been some years since I worked on a farm in Iowa, I should say, roughly, from reading the description of this land, that there might be several million acres available for such purpose. Now, I would not want to be quoted on that, because I do not know.

Mr. KEATING. Along this line I might be able to give some information, because I live in a district where there is a considerable area of this land. Within the last two years, in the third congressional district of Colorado, there have been between 8,000 and 10,000 homestead entries on so-called dry land. Prior to two years ago this land was regarded as grazing land and not available for agricultural purposes. Each of those homestead entries comprises 320 acres, and if you will multiply 10,000 by 320, you will get the area of that land which has been taken up within a period of two years by the land-hungry citizens of this country in one congressional district in the West. That movement, I think you will find on investigation, has been quite general all over the West during the last two years. There has been an amazing movement from the South and Middle West to the arid and semiarid lands of the intermountain West within the last two years. It is a movement which has attracted but little public attention, even in the States where it has taken place; but I have in my office now a list of names and addresses of between 8,000 and 10,000 men and women who have made their filings in my district within the last two years, and the list is by no means complete.

Mr. NOLAN. I think you will find that to be an exceptional condition. I do not think you could locate 5,000 people on the public lands in the State of California, unless they were put on timberlands. I do not think you could get all over the State of California homesteads on public lands for 5,000 people, unless they took them on timberlands. All of the good locations have been taken up by the railroad companies through land grants that were made to the Central Pacific Railroad Co. in years gone by.

Mr. KEATING. Mr. London inquired as to the extent to which these lands were available for the purpose of this bill.

Mr. NOLAN. I am referring to lands owned by the Government of the United States. The State, of course, has considerable land that is open for settlement.

Mr. CROSSER. The timberlands to which you referred, if cleared, would be good agricultural land, would they not?

Mr. NOLAN. Most of that land that the Government owns now is in forest reserves.

Mr. CROSSER. This bill provides also for forestry work.

Mr. NOLAN. Of course, a great deal of that land in the forest reserves would yield a great deal of money to the Government in clearing off the timber, and if the stumps could be pulled out, it would be good agricultural land. You are running up against a different proposition—that of reforestation.

Mr. MARSH. There is another point that I meant to refer to: We will assume that only within five years eight or ten million acres of land will be so utilized. There are now under 9,000,000 acres embraced in those small farms of 20 acres, or less, and there are 839,000 families on those small holdings. Now, when the Government begins to enable people to get on those public lands not now utilized, there will be a tendency, of course, by reducing the demand for other lands now held in large tracts, to create a little more competition for tenants and land buyers. So there will be a tendency to produce a reflex action which will tend to relieve the situation of people who want to go on land that is fairly well developed and privately owned. I want to make it clear that I regard this provision of the measure relating to the ground rents as one of the most important features of the bill. It is not by any means the only one, but we have seen so many experiments tried, the purpose of which was to help poor people, but which simply resulted in the land speculator coming in and taking all the advantage. In other words, we have helped the wrong man in a lot of our so-called charity efforts, or, at least, we have in New York City, where high rents are paid by the tenants to the great advantage of the landowners. That has been the case so often, that it is extremely refreshing to find a measure like the one here proposed, which goes right at one of the fundamental evils. It also recognizes definitely the fact that you must take up another aspect of the matter, which is community work, and that the Government has got to guide the people to the land, so to speak. There are two things accomplished: You prevent them from being exploited by land speculators and money lenders, and you also cooperate with them in providing recreation and educational features, which people have got to have on the farm. I am very glad that we have raised the standard of living so that people do not want to go on the farms or into the factories simply to be working machines.

Mr. NOLAN. You spoke of the importance of this measure and the necessity for having it passed at an early date. I suppose you realize, as Mr. Crosser naturally must realize, that with the condition of affairs in the House at the present time, it will be almost impossible before Congress recesses, or even in the short session, to give consideration to a bill of this kind, even though it might be reported by the committee.

Mr. CROSSER. Even so, if we should have it on the calendar during this session, it will be on the calendar in the short session.

Mr. NOLAN. But even in the short session we will have a number of bills from this committee that are very important and that would naturally precede it for preference on Calendar Wednesday.

Mr. CROSSER. We must take our chances on those things.

Mr. NOLAN. You must realize, also, that a bill of this kind which revolutionizes the method of disposing of the public lands will be likely to meet with heavy opposition. Very probably you would be confronted with serious opposition from the Committee on the Public Lands.

Mr. CROSSER. I do not know about that, but probably so.

Mr. NOLAN. I do not know whether you are aware of the fact or not, but this committee has already reported out a bill creating a national employment bureau in the Department of Labor, turning over to this national employment bureau the Division of Information in the Immigration Service. Now, the purpose of the bill I have referred to is the dissemination of information regarding unemployment, and the thought occurred to me that, with all these things confronting you, you might get action on this measure by offering it as an amendment to that bill in the Senate. I think the opportunity to take it up will come in a few weeks, because I will have recognition from the Speaker to take the matter up under suspension of the rules, and I do not anticipate any opposition. It seems to me that the Crosser bill might be drafted in the form of an amendment and introduced or offered to this other measure in the Senate. It would not do any harm anyway.

Mr. CROSSER. It is always a good idea to avail yourself of any opportunity you have to promote a bill. I am not wedded to any particular feature of this, so far as the machinery of it is concerned. I understand there may possibly be some objection in regard to this bureau of information feature at the present time. I did not know that when the bill was drafted, and I am not particularly concerned as to what bureau or division of the Department of Labor has it.

Mr. NOLAN. I simply offer the suggestion to you.

Mr. CROSSER. Of course, this goes further than the gathering of information.

Mr. NOLAN. Then, again, as you will undoubtedly press the bill at the next session of Congress, if this proposed bureau of information is in working order, it would be authorized to investigate the subject and report upon it. The bill that I introduced only has to do with the dissemination of information and cooperation between the local, State, and National employment bureaus for the dissemination of information and the distribution of labor. Now, you have provided here for a division of information that takes in about the same organization that is intended in my bill.

Mr. CROSSER. That is only one small feature of it.

Mr. MARSH. It seems to me that there is a vital distinction between the two things sought to be done, but as to the practicability or necessity for combining these matters, an outsider, of course, would not know. But I want to say that the finding of temporary work for people is no solution for the problem of unemployment, and this proposition goes much further and deeper than that, in that it tries to put people definitely on the land so that they will have a permanent relation to it. Now, we are getting to be a fluctuating body of working people. I know that is true in the great cities, because of

investigations that have been made which disclose that the working-man does not often own his home. The cooperative scheme of home owning we have not developed here as yet. But there can be no question of the fact, and it is an extremely important one, that the people are driven away from the land into the cities, and the purpose here is not simply to get them temporary employment in the country for 10 days—

Mr. NOLAN (interposing). Let me interrupt you there. My idea is to point out a way of getting action on this measure. I want to say this to you: That it did not need the introduction of the Crosser bill to suggest to my mind that the problem of unemployment ought to be considered in connection with the land question. The proper place for the unemployed is on the land. That has been my notion for a good many years, and I have done some things in a practical way to try to bring that about. The thought occurred to me that there was no chance of getting action on this measure at this session of Congress, but that if the department could get the machinery provided in my bill in operation, it would have authority to make an investigation and a recommendation to Congress, which would be of help when this bill came up for consideration.

Mr. MARSH. I did not quite catch your point. I think it would be well to get your measure in operation, and then get the testimony of the bureau as to what is taking place over the country.

Mr. NOLAN. The department you quote here in support of this measure would be authorized to make an investigation and report to Congress.

Mr. BROWNE. I would like to have you take a case under this bill and state just what is to be done. Suppose Mr. London wanted to go on some land, just what steps would he have to take to do it?

Mr. MARSH. How he would go on the land?

Mr. BROWNE. Yes; if this bill were a law. I want an explanation of the revolving fund, the fund which you call a revolving fund, after you get the \$50,000,000.

Mr. MARSH. While I have read the bill very carefully, may I suggest that you permit Congressman Crosser to answer that question?

Mr. LONDON. Is not Mr. Crosser trying to revitalize the homestead law? Is he not trying to revitalize the homestead law in the light of modern conditions?

Mr. MARSH. It is bringing it up to date, but he is doing more. The bill which he has introduced is safeguarding the people and the homestead law.

Mr. LONDON. It is bringing up to date the homestead law in the light of the experience of the last 50 years, since the homestead law was adopted, or more than 50 years, as I think it was adopted in 1863.

Mr. CROSSER. I think if you were to elaborate a little on the question of speculation in land and how it involves this proposition, that you will answer the question that he has in his mind, just how it happens that at the present time we do have inflation and speculation.

Mr. MARSH. Well, take the farm lands out in Iowa—as I know that State very well; I went through college there and worked on farms there—where values have increased in some cases to \$250 an

acre. As I have figured it out, on the basis of the percentage of increase since 1910, the assumed selling price of farm lands in the country is about forty-one billions; in 1910 the selling price was given by the Census Bureau as twenty-eight and a half billions, roughly speaking. Now, the individual farmer has done something; he has put improvements on the land, ditched it, drained it, etc., which, of course, represent labor and investment, but in large measure the increase of farm lands has been in the more populous States; it has been in suburban lands within a radius of 50 or 100 miles of large cities, and it is a value which the individual farmer has not given to the land, but he owns the land and some of the people out West say, "We are going to work the land a little while and until it gets valuable; then we are going to retire, and on the high ground rents which we hope to get for the farm lands we are going to live in idleness the rest of our lives."

Those values they have created—but here is the point: When a man, who wants to work and make a living, comes to purchase such land he finds that farm lands, which he ought to be able to get for \$40 an acre, are up to \$200 an acre and he has got to pay a large price for that land before he can produce anything, or else he has got to pay high rents for it. Then, when he does produce anything he is soaked on every side. He has to pay so much for every bushel of wheat that he raises, for every building that he constructs, for every implement that he purchases, and for all of the machinery that he uses, and that takes away a very large proportion of the profits on the average farm. Personally, I am not an extreme single taxer, because I do not think that single-tax land values are going to yield enough money for governmental purposes, but that is not the point; the point is that the present taxes on everything a man produces make opportunities for land speculators and take away the profits of the working people on the farms as well as in the cities. And that this bill prevents. It is an object lesson in a sound, equitable, and just system of taxation, as well as providing other features.

Mr. NOLAN. The principal idea of this bill, though, is to take away from the congested industrial centers that surplus of labor that is always in the labor market, and which creates a very serious condition in this country from time to time, and to give a man an opportunity to get out upon the land and not only be of use to himself, but of use to the whole country—make a useful citizen of him and be useful not only to his particular community but to the State at large?

Mr. MARSH. To be an independent producer instead of a competitor for a job. In other words, it is to put the workingman of to-day in the same situation, as Mr. London has expressed it, as the workingman of 50 or 100 years ago. However, a man of to-day has got a great deal more to compete with when he tries to get onto the land.

Mr. BROWNE. I do not believe that people differ very much as to the need of such legislation. The only question will be: How far does this bill work it out so that the Government will not have to have more than that amount of money invested, and whether the people, generally, will take advantage of it? We have laws in our State something along this line, but no one takes advantage of them, because they do not think that they are workable; we get them on

the statue books, but they are so complicated that they do not work out, and they can not accomplish any practical benefit. I would like to know how a man would start out under your theory, get his land, and then pay the Government back?

Mr. MARSH. Well, Mr. Crosser, shall I try to answer that?

Mr. CROSSER. Yes; go ahead.

Mr. MARSH. As I understand the bill—although I am not a lawyer, you know—it seems to work out in this way: The colonization board can make rules and regulations for the administration of it, but if I attempt to answer your question in detail I fear I would simply be making a poor trial at it. This, of course, may be called an expriment and some mistake might be made in it which would have to be corrected, but I know you are from a State which is not afraid to make experiments. Your State has made many helpful experiments and a great many have passed the experimental stage in Wisconsin. However, as I understand it, a man will make an application and the Government will give him certain land, or this board will give him certain land, 320 acres, or whatever the amount may be.

Mr. BROWNE. Does he have any chance to pick out where he wants to go?

Mr. MARSH. Well, the Government will use public lands.

Mr. CROSSER. The colonization board will designate a certain tract of land for that purpose.

Mr. BROWNE. Will a certain date be fixed before which a person must file on the land?

Mr. CROSSER. A person who wants to make use of that land will make an application to the colonization board, but he can not go all over the United States; he must select from the section of the country which the Government or the colonization board has determined would be available for such purposes. After he makes his application to the colonization board they will determine whether they will let him go on the land or not which, of course, they would, unless there were some very good reasons for a refusal.

Mr. BROWNE. As they have only \$50,000,000 to put into this they would naturally have to limit the number of applications.

Mr. CROSSER. They can not undertake more than they have the money for.

Mr. BROWNE. Will the applications of those first made be those which will first be granted?

Mr. CROSSER. Yes; the man who comes first would be given the first chance.

Mr. BROWNE. Out west, when they open lands, they have thousands, and sometimes tens of thousands, in line.

Mr. CROSSER. That is due to the fact that they are not figuring on the amount they can earn from their labor there but they are figuring on what is going to rise most rapidly in value and that which they can sell at a profit later. And that is the reason for the present difficulty.

Mr. BROWNE. After they go to the land office and file and land is assigned to them, 160 acres, or whatever the amount may be, what do they have to pay or what do they have to do?

Mr. MARSH. As I understand it, they can borrow from this fund and use the land as security, the land still being in the Government's

hands. They can borrow to put up buildings, and they can borrow for equipment for the farm, implements, machinery, and the like. Then the colonization board is going to collect what would be equivalent to about 6 per cent, as Mr. Crosser says.

Mr. CROSSER. I say that because that is what would be the ordinary rate in my part of the country. The idea is to capitalize the value of the land and then collect a normal rate of interest. That is the theory of the thing.

Mr. MARSH. The money is to be distributed among the governmental units which are operating in that locality.

Mr. CROSSER. Yes; that is the idea.

Mr. MARSH. I do not believe that in many localities it would be 6 per cent which would be required; I should say usually 4 per cent.

Mr. BROWNE. Now, how much would these men have loaned to them on these 160 acres—how much money?

Mr. MARSH. The value would be appraised by the colonization board or by the local assessors. Of course all land has to be appraised by the local assessors. Let us say it is put down, for the sake of illustration, at \$10 an acre, which would probably be pretty heavy for some of the land. One hundred and sixty acres would be \$1,600, but a good deal of it would be only \$5, which would be \$800.

Mr. BROWNE. Suppose it is \$1,600. How much could he get to help him clear the land?

Mr. MARSH. Fifty per cent of the improved value.

Mr. BROWNE. Would they let him have that before he makes the improvements?

Mr. CROSSER. The superintendent would see that he actually made the improvements.

Mr. BROWNE. Then they would advance him enough money to make the improvements?

Mr. CROSSER. Yes, sir.

Mr. MARSH. It is practically loaning the Government credit.

Mr. BROWNE. And he pays interest on that amount?

Mr. CROSSER. He pays interest on the amount loaned and then a small rental for the land, too, otherwise it would not be fair. One man might get land worth \$50 an acre, perhaps, and another man would get land worth \$5 an acre, and that would not be fair. So the bill provides that the colonization board shall collect an amount equal to about the actual rate of interest on the value of the land, as determined by the colonization board or other assessors.

Mr. LONDON. Is it intended that title to the land shall forever remain in the Government?

Mr. CROSSER. Yes; but the tenant can remain there forever, and his heirs or assigns can do so likewise as long as they work it; the only condition is that they must work it to keep it. He is guaranteed possession, but he is not given title so that it can be thrown open to speculation.

Mr. BROWNE. If he works it and pays his interest he stays there?

Mr. CROSSER. Yes, sir.

Mr. BROWNE. And if he does not pay his interest he gets off?

Mr. CROSSER. Yes.

Mr. BROWNE. They foreclose him?

Mr. CROSSER. Yes, sir.

Mr. BROWNE. When he gets it all paid off he can not own it in fee?

Mr. CROSSER. No; because that would let him throw it open to speculation.

Mr. BROWNE. Would it not be wise to provide that he could buy that land after he has paid everything due on it? Would it not be a good provision that if he ever became able to repay the Government he would be given the title in fee?

Mr. CROSSER. That is the crux of the whole thing, Mr. Browne. If you do that, of course it is then immediately open to speculation and inflation, the same as has existed during all of our time.

Mr. BROWNE. Do you not think that might be a stumblingblock? Nearly every man wants to own a piece of land in fee simple.

Mr. CROSSER. It would be a stumblingblock to a certain number of people.

Mr. BROWNE. I do not see but that if he makes the Government whole he ought to have the right to sell it.

Mr. CROSSER. Suppose he were to pay for the land at its then value; do you not see the difficulty? He has not paid them fully for the land.

Mr. KEATING. Is not this true, that you believe you should take for the community the values created by the community?

Mr. CROSSER. Yes, sir.

Mr. KEATING. In other words, this is a start toward establishing a tax on land values?

Mr. CROSSER. In these communities established by the Government there would be values created in a particular piece of land that has been reserved by the Government, but that value would not belong to any particular individual because he did not himself create it.

Mr. LONDON. You give a man all the benefits of actual ownership?

Mr. CROSSER. Yes, sir.

Mr. LONDON. And he has the right to transfer the land to his heirs, provided they cultivate it?

Mr. CROSSER. Yes; but they must use it, and they would only lose the land because of nonuse.

Mr. MARSH. It seems to me that the revelation brought out by the United States Industrial Commission in relation to the condition of tenants on farms in the Western States is an almost unanswerable argument in favor of this sort of an experiment, if you want it, because it seems to me it is the application of a sound system of taxation.

(Thereupon the committee adjourned until Monday, May 22, 1916, at 10.30 o'clock a. m.)

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Monday, May 22, 1916.

The committee this day met, Hon. Edward Keating presiding.

Mr. KEATING. I believe there is an additional statement of Mr. Marsh to be submitted by Mr. Crosser.

Mr. CROSSER. Mr. Chairman, I have here a statement by Mr. Marsh, who was before the committee last Thursday, elaborating the statement he made at that time.

ADDITIONAL STATEMENT OF MR. BENJAMIN C. MARSH, EXECUTIVE SECRETARY NEW YORK CONGESTION COMMITTEE.

Mr. MARSH. Mr. Chairman, at present there is relatively little unemployment, but this condition has always been temporary in this country, and in all probability immigration will be very large following the war. Temporary employment on farms is not, however, a solution of the problem of unemployment. It is necessary to have substantial ownership or permanent occupation, such as is secured by the Crosser colonization bill, in the provision that a permit or lease for the use and occupation of land shall be issued not only for the person to whom issued by the "designated heirs or assigns thereof."

The Thirteenth Census Report states that in 1900 2,024,964 farms in the United States were operated by tenants; in 1910, 2,354,676; an increase of 329,712, or 16.3 per cent.

The number of farms operated by owners owning the entire farm increased during that decade from 3,201,947 to 3,354,897; that is, by 152,950, or 4.8 per cent. In addition, in 1910, 593,825 farms were operated by owners renting additional land, an increase during the decade of 31.6 per cent. The area of farms operated by owners owning the entire farm increased during the decade 7.8 per cent; that of farms operated by tenants increased 16.1 per cent. In 1910 there were 37 tenant-operated farms in each 100 farms in the United States, as compared with 28 in 1890, an increase of 32 per cent during 20 years.

The value of land of farms operated by tenants increased during the decade 1900 to 1910, from \$3,938,470,322 to \$9,450,793,276; that is, by \$5,512,222,954, or 140 per cent; the value of land of farms operated by owners, in whole or in part, increased from \$8,482,651,225 to \$17,806,121,628; that is, by \$9,323,470,403, or 109.9 per cent.

The Monthly Crop Report of the Department of Agriculture for April 15, 1916, states:

The value of farm lands of the United States is estimated at \$45.55 per acre, as compared with \$40.85 a year ago, \$40.31 two years ago, \$38.10 three years ago, and \$36.23 three years ago. The census reported the value of farm lands in 1910 as \$32.40, and in 1900 at \$15.57 per acre.

In other words, the selling price of farm lands has, on the average, trebled in 16 years.

In 1902 the Federal Industrial Commission reported on tenant farming:

The result of this system (share tenancy) is that the renters rarely ever succeed by laying by a surplus. On the contrary, their experiences are so discouraging that they seldom remain on the same farm for more than a year. They are not only unable to lay by any money, but their children remain uneducated and half clothed. The system is apparently one of the most undesirable, so far as its effect on the community is concerned.

Similarly, the Public Lands Commission reported in 1906:

There exists and is spreading in the West a tenant or hired-labor system which not only represents a relatively low industrial development but whose further development carries with it a most serious threat. Politically, socially, and economically this system is indefensible.

The United States Commission on Industrial Relations reported last year, 1915:

Badly housed, ill-nourished, uneducated, and hopeless, these tenants continue year after year to eke out a bare living, moving frequently from one farm to

another in the hope that something will turn up. Without a large family the tenant can not hope to succeed or break even, so in each tenant family numerous children are being reared to a future which under present conditions will be no better than that of their parents, is as good.

The census reports the following facts in 1910:

| | |
|---|------------------|
| Area of farm lands in the United States, acres----- | 878,798,325 |
| Value of farm lands in the United States----- | \$28,475,674,169 |
| Number of farms in the United States----- | 6,361,502 |

| Size of farms. | Number. | Acreage. | Per cent. | Total land. | Assessed value per farm. | Average value, total. | Per acre of land. |
|-------------------------------|-----------|-------------|-----------|-------------|--------------------------|-----------------------|-------------------|
| (1) Under 20 acres..... | 839,166 | 8,793,820 | 0.1 | \$1,812.00 | \$956.00 | \$172,89 | \$91.22 |
| (2) 20 to 49 acres..... | 1,414,376 | 45,378,499 | 5.2 | 2,103.00 | 2,284.00 | 65,55 | 40.00 |
| (3) 50 to 99 acres..... | 1,438,069 | 103,120,868 | 11.7 | 4,175.00 | 2,049.00 | 58,22 | 36.94 |
| (4) 100 to 174 acres..... | 1,516,286 | 205,480,585 | 23.4 | 7,313.00 | 5,021.00 | 51.07 | 37.05 |
| (5) 175 to 499 acres..... | 978,175 | 265,289,069 | 30.2 | 13,955.00 | 10,291.00 | 51.45 | 37.95 |
| (6) 500 to 999 acres..... | 125,295 | 83,653,487 | 9.5 | 23,208.00 | 17,644.00 | 34.76 | 26.43 |
| (7) 1,000 acres and over..... | 50,135 | 167,082,047 | 1.9 | 56,757.00 | 43,047.00 | 17.03 | 12.92 |

It will be observed, first, that 28.5 per cent of the farm lands—nearly one-third—is held in tracts of 500 acres or over. As is well known, these large tracts are held by a relatively few very wealthy people, who, with the present low tax rate on land values, can afford to hold their land out of use, and can charge heavy rentals or prices therefor. The United States Commission on Industrial Relations refers to such holdings as follows:

The condition of agricultural laborers can not, however, be dismissed without referring to the development of huge estates which are operated by managers with hired labor on what may properly be called a "factory system." The conditions upon such estates are deplorable, not only because these estates, embracing within their boundaries entire counties and towns, are a law unto themselves and the absolute dictators of the lives, liberties, and happiness of their employees. It is industrial feudalism in an extreme form. Such estates are, as a rule, the property of absentee landlords, who are for the most part millionaires, resident in the eastern States or in Europe.

Second, that the selling price per acre—which has increased materially since 1910—renders it very difficult for the average small farmer to acquire a farm, and even more difficult for a peasant in a city, who wants to get on the land.

During the past year, the congestion committee investigated in every State of the Union what is being done to distribute population. State officials were asked, among other questions, "What is the greatest hindrance to farm ownership?" The following are typical answers:

California: Customary failure of new farmers to retain sufficient working capital after the land is brought to pay expenses until returns on the land can be secured.

Connecticut: Opportunities in cities for better living conditions for employer and employee.

Indiana: In the first place the high prices of land makes it difficult for a young man to purchase a farm. He must work on a salary or rent for a number of years before he can make a first payment on a piece of land. A second difficulty is the lack of long-time loans on easy conditions so that a young man can purchase a farm and pay it out on a series of payments through a number of years without paying practically double for his farm by reason of the high rate of interest.

Illinois: Rising land values; present credit system; dearth of Government land.

Kansas: The same difficulties as those in getting people to work on farms apply with greater force. Those who have sufficient capital to rent a farm and properly equip it are usually able to save enough to purchase a farm of their own within a few years. The greatest hindrance to this is the fact that so many are obliged to borrow the necessary funds to get their first equipment, and the interest on such funds, together with the rent of their farms and living expenses, sometimes reaches such an amount as to take them a long time to save sufficient money.

Kentucky: Lack of funds and inability to borrow on long-time notes.

Louisiana: Aversion to living in the country; rural conditions are, however, ideal in this State for success on the farm. Lack of money to make crops.

Massachusetts: The greatest hindrance to farm ownership is lack of capital. If some land bank could be devised, whereby a farmer could secure a loan on his property at a low rate of interest, and pay off both interest and principal in small installments, so that the face of the mortgage would be extinguished in 20 or 30 years, it would be a great help to those desiring to start in farming for themselves.

Minnesota: Working in cities is more profitable.

Missouri: The man that owns a 160-acre farm clear in Missouri is or should be almost as independent as a king, and to say the least there are many kings in Missouri.

Montana: The desire to congregate in towns and the short hours of other occupations.

Nevada: Lack of money to buy land.

The Jewish Agricultural and Industrial Aid Society made the statement:

On the whole, we would not feel warranted in advising any man to buy a farm unless he had a minimum capital of \$1,000. Even then he will need our assistance. Without it \$1,500 to \$2,000 is little enough. The same holds good even in homesteading on Government land where the land costs nothing.

The secretary of the State of Utah stated:

It requires from \$2,000 to \$3,000 capital to get fairly well established on even free land, and more than those amounts when water must be purchased for irrigation.

On July 1, 1915, the total acreage of vacant public lands of the country was 279,544,494 acres, of which 172,987,912 acres were surveyed and 106,566,582 were not surveyed. This does not include Alaska. These lands were located in 25 States.

It may be thought that these vacant lands, which would make nearly 2,796,000 farms averaging 100 acres each, would meet the demands for farms for decades to come.

The General Land Office, in its report dated July 1, 1915, shows much of this land in many States and most of it in several States to be entirely unadapted for general farming purposes, and even where it is adaptable most of it could be made profitable only by the investment of much capital.

Only a few million acres are described as adapted for general agriculture. Most of this free land—235,000,000 acres—is located in eight States—Arizona, California, Colorado, Montana, Nevada, New Mexico, and Wyoming. Over 55,000,000 acres are in Nevada.

Several hundred thousand acres in each of the following States are described by the General Land Office as "agricultural" or "grazing:" Arizona, California, Colorado, Idaho, Michigan, Montana, Nevada, New Mexico, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. There are 10,000 to 1,000,000 acres or more of farming land alone in each of these States.

By the end of the last century, we had given away all of the best of the free lands to private parties or to corporations. Under the home-

stead act 154,327,812.45 acres of land has been given away up to June 30, 1915, the number of final entries being 1,063,534. From the passage of the act of June 3, 1878, to June 30, 1915, there were 102,919 timber and stone entries and the area patented was 13,289,906.97 acres.

The Land Office informs us that no record has been kept of the amount of land that has been sold by homesteaders after they have established clear title thereto, but that the total has been very large, as it has been common practice to take Government land merely for the purpose of selling at a big profit.

The Crosser colonization bill applies the correct principles of land grants and taxation. The bill specifically provides that title to land shall remain in the United States Government, and that—

No permit or lease for the use of any parcel of land shall be issued except to the person by whom said land shall be actually used and occupied, and during a period only in which said land shall be used and occupied by said person or the designated heirs or assigns thereof.

Had we adopted this policy when the homestead act was passed, we should not be confronted with the problem for which the bill is a partial solution, for there is sufficient farming land in private ownership now to meet the needs of the country for many decades, could the land monopoly be broken up by heavy taxation of land values. This can not be done in most States, however, for several years, as their constitutions prescribe that the tax rate on all property must be uniform.

The bill provides for exempting from taxation the improvements made by the workers on the land, their implements and machinery, and in lieu thereof using the ground rents for meeting the cost of governmental units within whose jurisdiction the tracts are located.

This conforms to the recommendations of the most progressive farm and labor organizations. Several irrigation districts in California have adopted this system of taxation.

The Washington Grange at its convention in 1915 adopted the following resolution:

That we go on record as favoring the adoption of a system of taxation whereby personal property and all improvements would be exempt, and the burden be borne entirely by land values.

Many other State granges and the New York and California State Federations of Labor have indorsed this principle.

The value of improvements in and on the land, the implements, machinery, and live stock of the families on the lands under the supervision of the colonization board will greatly exceed the bare value of the land, so that securing revenue for local governmental purposes by taxing land values alone will save the families a considerable sum and make their enterprises more profitable.

This principle has been adopted in England in the cooperative communities, known as garden cities, with very good results, notably at Letchworth Village, near London.

The Crosser bill provides for the social and community life. Aside from the economic factor involved in placing people on the land, the lack of recreational and educational opportunities has been a serious factor in preventing the development of the country districts. This necessity is provided for in the powers delegated to the national colonization board.

The bill provides that under the control of the national colonization board, cooperative enterprises may be undertaken by the community, safeguarded by the requirements that current rates of wages shall be paid, and that the safety of workers in the operations provided for in the act shall be assured, workmen's compensation, etc.

Wide discretionary power is vested in the national colonization board, as is necessary in an enterprise of this kind, which is obviously an experiment.

By securing the cooperation of the Secretaries of Labor, the Interior, and Agriculture the experience of those departments is brought to focus on each undertaking. An unlikely project would not be undertaken, as the bill specifically provides that no project shall be undertaken—

which does not offer a reasonable presumption that the soil and other physical conditions and the markets and other economic conditions involved in such project will permit of immediate, continuous, permanent, and profitable employment for the settlers being located and colonized therein.

Adequate precedent for such governmental aid and extension of credit is found both in this country and abroad.

The granting of homestead lands subject to resale by the patentees has already been cited, as also the grant of governmental lands to railroads and other corporations. Other instances are the grants of lands to States for school purposes. Still further precedents, now being considered by Congress, are ship subsidies.

By successive acts, beginning in 1892, England adopted a policy of small holdings and allotments analogous to the proposals of the Crosser colonization bill, except that it was necessary for the Government to acquire land and pay private owners therefor. Under the small holdings and allotment act of 1907, the local Government board could advance four-fifths of the cost of improvements with the improvements as security.

Germany has continuously loaned State credit to small societies for constructing homes and to agricultural organizations conducted on a noncommercial basis or in which the profits were limited to a very small per cent.

The provision of this bill of small farms without means, who, under present conditions, must necessarily be tenants, will result in reducing the demand for farm land now prevailing, and will tend to thereby reduce the rentals, which can be exacted for such privately owned lands.

While the economic results, eliminated by the small appropriation—\$50,000,000—will be meager, the value of an object lesson will be of much greater importance than the few hundred thousand families that, at most, will be benefited by this proposal.

The annual increase in the selling price of farm land, due not to the ability or work of the owner but to the industry and thrift of the workers thereon, is a great menace to the welfare of the country. This can be remedied only by transferring taxes from labor and the products of labor to land values. The plan proposed by this bill will accord an object lesson of this equitable and natural system of taxation.

The Crosser colonization bill is a most important measure of preparedness for that industrial peace which we have failed to achieve hitherto. It will emphasize the fact that we have room in this coun-

try for several times our present population, provided access to the land is afforded, and exploiting financial and land interests are eliminated. Peasants who flock to-day to the great industrial centers constitute a menace to the trained factory operators, and reduce wages below the subsistence point.

The proposed bill points out the way in which we must secure a more normal distribution of population, and enable a larger proportion of the people of the country to secure a livelihood and have a more normal life on land.

Mr. KEATING. Secretary Wilson, of the Department of Labor, is here this morning, and we will be glad to hear him at this time.

STATEMENT OF HON. WILLIAM B. WILSON, SECRETARY OF LABOR.

Secretary WILSON. Mr. Chairman and gentlemen of the committee, a number of months ago when this bill was introduced by Mr. Crosser he sent a copy of it to me for an expression of my viewpoint in regard to it. I have been so busy with departmental affairs that I have not had time to go into a detailed criticism of the bill, as it has been prepared. However, the bill embodies some principles that it seems to me ought to be enacted into law.

I can recall, when a very little boy, hearing a song which was popular at that time, the refrain of which ran as follows:

Ho, boys, ho, don't take alarm,
For Uncle Sam is rich enough to give us all a farm.

I do not think there is any question about Uncle Sam being rich enough to give every one a farm who desires to farm. The question is as to the willingness to do it.

In dealing with the problem of unemployment, which is more intense at some times than at others, I have come to the conclusion that it can not be successfully dealt with unless there is a freer access to the land, and better methods provided by which those who are out of employment in our large industrial and commercial centers can be enabled to go upon the land.

In enabling those who are out of employment in our industrial and commercial centers to go upon the land, it occurs to me that it would be an unwise thing, both for the present and for the future, to place them on the land as a matter of charity to the worker. It would lower his self-respect and be injurious to him.

This bill embodies a method by which they can be encouraged to go upon the land and can be helped to go there, without providing a charity of any kind, and without lowering the self-respect of the worker who seeks to avail himself of nature's resources.

There is a large amount of unoccupied Federal lands at the present time. The greater portion of the unoccupied land, however, is not available for settlement unless it is provided with means of irrigation. But there are some large tracts that can be utilized for dry farming. In addition, there are many of the States that have lands, nearly all the States west of the Mississippi River, and some of them east of the Mississippi River. Those States having public lands are naturally anxious for settlers to go upon them. To some extent the demand for settlers grows out of a desire that ought to be changed. It grows out of the desire of those who already occupy the lands to

secure the increased values that come as the result of more dense settlement, and consequent greater demands for the land.

In dealing with the problems that I have mentioned this thought has occurred to me, that we are annually receiving, by way of a head tax from aliens coming into the United States, sums ranging from one to four million dollars annually, in accordance with the amount of immigration that we have. It was not intended that this head tax should be a revenue tax. It was not meant as a revenue producer. It was originally levied for the purpose of providing the means by which the Immigration Service could be conducted and the alien taken care of when he arrived in the United States. It was placed, originally, in what was known as an immigration fund, from which the Immigration Service was maintained. A number of years ago it was transferred from that fund into the General Treasury, and it now goes into the General Treasury.

The alien coming into the United States becomes an immediate competitor with the wageworkers already here, whether alien, naturalized, or native, and makes it more difficult for those who are already here to secure employment at profitable rates.

Those who are in our industrial centers, who have succeeded to such an extent that they have the means with which to acquire land to move on to, equip, and live upon it until a return has been secured, usually consider that they have been sufficiently successful in our urban localities to want to remain there. It is only those who have not been successful enough to gather together sufficient means to equip themselves for agricultural pursuits who might be induced to go upon the land.

Mr. LONDON. Will you kindly repeat the last statement you made?

Secretary WILSON. It is only those who have not been sufficiently successful in our towns and cities to acquire sufficient means to equip them for going upon the land, who may be expected to be willing to go there.

Under ordinary circumstances and under ordinary banking arrangements, those people without resources can have no credits, and even under the new system of rural credits which is being developed, a man without personal effects or real estate can not avail himself of those credits, so that it would not be of service to those who are without visible means of credit.

And yet the great foundation of our institutions is not lands, is not personal effects; the great foundation of our institutions is the character of the man. I have felt then that we could, with perfect justice, under the circumstances, and with fair play to all parties concerned, take the head tax levied upon immigrants coming into the United States and place it in a fund to be used for the purpose I have suggested and utilize it in taking those people from our towns and cities who are willing to go upon available land, furnishing them with equipment, and, if necessary, with the means of subsistence until there is a return from the crops. I would not have the assistance given take the form of a gift, but rather the form of a loan, based upon the character of the man, and if need be, upon the community credits behind him.

In my limited experience—and by that I mean the contact that I have had with wageworkers in the community in which I have lived—

I have known numbers of men in various occupations who would have been glad to go into agricultural pursuits, if they had only known how they could secure the lands and live upon them until the returns from the crops came in.

Such a fund as I have referred to would provide the means. Having provided the means of occupancy and subsistence, the next step would be to furnish them with a soil survey, so that they may have a knowledge of the things that can be successfully produced on the place where they are located.

Following a knowledge of the qualities of the land, there should be given to them such information as they may need concerning the methods of preparing the land, of feeding the land, in other words, the kind of fertilizers that are necessary for the crops to be produced. They should have a knowledge of how to harvest, and finally, and of almost as much importance as the other things, a knowledge of the best method of modern marketing. All that information could be conveyed to them by the Department of Agriculture.

The money advanced to the person going upon the land would, in a very brief period of time, begin to come back into the Treasury, and could be used over and over again for the same purpose. That thought is not a new one by any means. Other countries have pursued a similar course. That is particularly true with regard to Germany. Germany has pursued a course of that kind in recent years. In earlier years Germany pursued a policy somewhat similar to that embodied in the pending rural credits measure.

In later years Germany has been pursuing a policy similar to the one that I have outlined, using the public funds as a basis upon which to work.

As is generally known, Great Britain has been pursuing a similar policy in recent years, particularly in Ireland. Our neighbor to the north of us, Canada, has for a number of years been furnishing equipment, in a limited amount, to those who go upon her public lands. The Australian countries have been pursuing a similar course. France has also, in a limited way, been working along those lines, so the idea is not a new one. The problem is how to work it out in accordance with the delegated and reserved rights peculiar to our institutions.

Having provided the means by which the workers in the cities may avail themselves of an opportunity to become agriculturists, the next problem that presents itself is how to prevent those who are in possession of the land, or who may hereafter come into possession of the land from combining it into large estates, and again changing conditions back to the point from which we started. This bill provides a means by which that can be accomplished, because it provides that the title shall always remain in the United States.

What is true with regard to combining the smaller tracts of land necessary for agricultural purposes into large estates, is also true with regard to that phase of the situation which our single-tax friends have come to call the unearned increment. By retaining the title in the United States, by providing a means by which those who go upon the land may, whenever they desire to change their occupation, leave the farms and go back into the industrial and commercial pursuits, the land can be taken over on an appraised valuation which gives credit for all of the actual improvement created by the

holder, and eliminates all of the increased value that has been produced by the community. In doing that you give an interest to the holder to proceed to improve the land, because he realizes that if at any time he should want to leave the land he would be compensated for his improvement, he would be compensated for his industry—a condition which does not always exist where he holds the title in fee simple; and at the same time you protect the future, you protect the subsequent holder of the land from being compelled to pay an exorbitant price for the land.

That, in brief, Mr. Chairman, is the viewpoint I have had with regard to the problem involved in this bill. It was referred to in the last annual report of the Department of Labor.

I believe that something of this character is absolutely necessary in order that we may properly handle the problem of unemployment. During periods of industrial activity, such periods as we are now passing through, the problem may not be such an immediate and pressing one as at other times, although it is still with us. Under momentary conditions, it is a problem of conveying information to the men who are out of employment as to where jobs are to be had. But that is not always the condition.

It is frequently the case that there are not as many jobs as there are men out of employment. One of the ways by which that can be permanently overcome is to find the means by which those who are out of employment, after all the jobs have been filled, can find jobs for themselves, not on a basis of charity, but on a strictly business basis, utilizing the character of the men and community credits as the basis of the loans that are to be made from the fund that is continually accumulating from the head tax paid by aliens who are coming here in competition with American wage-workers.

Mr. BROWNE. After a man goes on a piece of Government land, and makes improvements on it, say for a period of 10 years, and then wants to go into some industrial pursuit, those improvements are appraised and the man is paid that amount. When that land is resold, or re-leased to other men who want to go on the land, does a new tenant pay just the amount the Government has paid the other man for the improvements? How is that matter adjusted?

Secretary WILSON. That, of course, is a matter of detail, and that can be adjusted by paying exactly the amount the Government paid to the man who formerly held the land, or it can be adjusted upon a basis that would add a sufficient amount to cover the cost of the entire transaction. I can not, in my own mind, justify the exaction of anything more than the actual cost to the Government including cost of the operation of the system. In other words, the overhead charges imposed—

Mr. BROWNE (interposing). The great trouble I have seen in the State of Wisconsin in getting city people to go out on new lands—say, the cut-over land—has been the money problem, and then also their lack of knowledge of agriculture, and the fact that they did not come from an agricultural people, and their wives and families seemed as if they would almost rather starve in a city than go out into the country where the outlook did not seem promising.

Secretary WILSON. I suggest this method of overcoming that:

There are a large number of people in these cities who have had agricultural experience, both in this country and in foreign countries.

Of course, there are two different types of agricultural experience; that is, the agricultural experience of Europe and the agricultural experience of the United States. Those are two entirely different types of agricultural experience. Furthermore, particularly in the western part of Europe the cultivation is very much more intensive than in this country. Their implements are very much more primitive, because the territory they cover does not permit the use of the same tools which we use in this country.

But there are many who have that knowledge and who have the additional knowledge of soils, how to care for soils, how to fertilize soils, how to improve soils, who would be willing and anxious to go out upon those lands, State or Federal, if they had the means to go out upon them.

I have observed during my discussion of this subject this morning that those who are sufficiently successful to have the means to do that feel that they are doing well enough where they are and do not want to change. It is only those who are not successful, those who have not acquired the means who would be willing or anxious to go out upon the land. If they are to go out upon the land, then there must be provided for them the means by which they can, in a measure at least, equip the land. By that I have reference to their having a sufficient amount of tools and of stock and of seeds. And then they must also have the means of livelihood until a return can be had from the crops. They may have that themselves.

I think perhaps that the Department of Agriculture would furnish those who are taken out upon the land under methods provided in this bill with soil surveys, so that those people could determine what the lands are particularly qualified to produce. Second, they should have a knowledge of the class of fertilizers that are necessary; third, a knowledge of how to proceed in the handling of the tools and the working of the soil; fourth, they should have a knowledge of how to harvest the crops that have been grown; and, fifth, they should have a knowledge of how to market those crops. That information is being gathered from time to time by the Department of Agriculture, and could be made available to these people.

Mr. CROSSER. Mr. Secretary, in order to throw some light upon the question which Mr. Browne asked you, I would like to ask you a question. Mr. Browne spoke of the dislike of the average town or city man to go into the country to work, even if he has the opportunity. This bill contemplates making it a little more attractive for a man to go into the country by forming communities, and there would not be any of these lands unless the colonization board should come to the conclusion that a certain location would probably be a desirable location for such needs, and therefore they would have a community life.

Secretary WILSON. That is another phase of the subject. There have been a number of causes which have been responsible for the drift from the country to the city, and which have prevented this drift from the city to the country. One of those causes has been the fact that our entire agricultural system has been built up on a pioneer system, where the head of the family has gone out into the wilderness and hewed out a home for himself, frequently far distant from the home of anybody else; and as time has gone on and the families have grown up the members of the families have been lack-

ing—at least, to a considerable extent—in the same pioneer spirit that existed in the minds of the parents. They have not had the advantages of community life, and they seek those advantages. It is proposed in this bill to establish community life, so far as that is possible, in rural communities by establishing a town center from which the lands held may emanate, and by taking colonies, if need be, out onto the lands in sufficient numbers to create a community center.

However, I would go further than that in handling the proposition. I would not stop solely with the colony. If the individual wants to find expression for himself, separate and apart from the colony, I would give him the opportunity.

Mr. NOLAN. You have read the bill, Mr. Secretary?

Secretary WILSON. I have; but, as I stated at the beginning, I have not given it a close enough examination to be able to make a detailed criticism of it, and I have come before the committee this morning at the solicitation of my friend Mr. Crosser, in order that I might express my viewpoint concerning the general principles involved in the bill.

Mr. NOLAN. Bearing in mind the little opportunity you have had to study the bill, do you think it would be better to put this bill through, with all the machinery that is provided for, than to create this organization with broad powers?

Secretary WILSON. I could not approve the bill in its present state, nor am I prepared to disapprove it. So far as the administrative machinery which is provided in this bill is concerned, I am not prepared to say that it is the kind of administrative machinery that should be provided. Personally, I do not think a great deal of machinery is necessary, nor do I believe it is an advisable thing in starting with an experiment to surround it with too many limitations, because if you surround it with limitations then your experiment is bound to be hampered in its operations, and I prefer, in measures of this character, which are of an experimental nature, to give as much latitude to the administration of them as is possible, so that it can be handled in whatever way experience demonstrates to be best.

Mr. NOLAN. That is why I asked the question, because I had in mind legislation that this committee recommended to the House early in the session creating a bureau of labor safety, and at that time that very proposition was discussed, to the effect that putting in the machinery for the bureau would be largely restricting its opportunity for development. In hurriedly reading this bill I notice that it creates a board, that it defines the powers and duties of that board. The question was whether you thought it would be better to give such a board broad powers, both in regard to recommendation and administration, rather than to restrict the board?

Secretary WILSON. If I were handling the subject matter myself, the course I would pursue would be to suggest that a subcommittee of the entire Labor committee be appointed for the purpose of whipping this measure into administrative shape.

Mr. CROSSER. What you were discussing, Mr. Secretary, is the principle that this organization referred to in the bill is supposed to carry into effect.

Secretary WILSON. Yes.

Mr. CROSSEY. And so far as that principle be concerned, you are not in doubt about it at all?

Secretary WILSON. Not at all.

Mr. SUMMERS. I am not familiar with the detailed provisions of this bill, Mr. Secretary, but it seems to be a scheme for organizing a rural community and putting it onto the public land, and so far as I can see, those people will not be selected with any regard to their congeniality or fitness.

Secretary WILSON. That would be purely an administrative matter.

Mr. SUMMERS. I am not familiar with the details of the bill.

Secretary WILSON. My own idea would be not only to take people out onto the land in colonies but also to provide the means by which an individual could go upon the land.

Mr. SUMMERS. You would have to be pretty careful in taking people out on the land who are inexperienced in agriculture. You take a man from the city, and he would come nearer to making a success in working land if he were located in a community of farmers rather than if he were located among other people with a similar lack of experience as himself.

Secretary WILSON. In my judgment, if they go out in sufficient numbers to establish community life and are given the opportunity of association, the colony would be large enough for all practical purposes, and if you make the colony too large, in a single community, with fewer farmers in the immediate neighborhood, there would be less likelihood of their being successful.

Mr. NOLAN. The underlying principle in the bill is the creation of an opportunity, is it not?

Secretary WILSON. Yes. The underlying principle is to utilize the character of the individual, plus such community credits as may be established, as a basis upon which to loan funds to the individual or the colony to proceed upon the land, and then work out the machinery by which they can be made practical farmers, at the earliest possible moment.

Mr. KEATING. We are very much obliged to you, Mr. Secretary.

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Thursday, May 25, 1916.

The committee met this day, Hon. Meyer London (acting chairman) presiding.

Mr. LONDON. Mr. Holder, you may proceed.

STATEMENT OF MR. ARTHUR E. HOLDER, WASHINGTON, D. C.

Mr. HOLDER. Mr. Chairman and gentlemen of the committee, I do not represent anyone here to-day but myself. I make this statement because of the understanding with the American Federation of Labor that no one should come before congressional committees and represent that organization on a subject upon which the organization itself or its officers have not made a declaration. You can readily see that this is a wise provision.

Mr. CROSSER. You do not mean that you do not represent anybody, but that you are not officially representing anybody?

Mr. HOLDER. I am not representing anyone but myself, but I might add that there are a great many men, especially in my trade, and the union in which I hold membership—the International Association of Machinists—who have similar views to my own, and I believe I will not be overstepping the bounds of discretion in any statement that I may make concerning the propositions contained in the bill Mr. Crosser has introduced.

I am going to ask to have incorporated in the hearings the bill H. R. 11329, and it may as well go in with my remarks. I do that for a specific purpose. It used to be the regular rule in all committee hearings that the bill under discussion would be made a part of the record, but of late we have been getting out of that habit, and then in the course of years, when someone will want to know what this Crosser bill was, there will not be any copies in the document room or in any other archives of the Government, but if we incorporate it in the hearings we can always find it. (See p. 5.)

A question was asked several times at the last hearing by a gentleman of the committee who is not here now, Mr. Sumners, of Texas, in which, I think, he substantially said that there was no need for any argument to establish the virtues of the principles of this bill, but what was needed were facts, figures, and data as to what had been done in other countries and about what the situation was in those countries before legislation of a somewhat similar character to this was enacted, and what the legislation provides. So, for the benefit of the committee, I am now going to mention the fact that one of the departments of the Government, the United States Department of Labor, through its Bureau of Labor Statistics, made a world-wide research, the results of which have been incorporated in Bulletin No. 158, entitled, "Government Aid to Home Owning and Housing of Working People in Foreign Countries." That research covered such countries as Austria, Belgium, Denmark, France, Germany, Great Britain, Hungary, Italy, Norway, Sweden, Australia, New Zealand, and other countries.

Mr. BROWNE. Is that a Senate bulletin?

Mr. HOLDER. No, sir. This is United States Bulletin No. 158 of the Department of Labor, Bureau of Labor Statistics. It is an exceptionally valuable document, and, so far as foreign countries are concerned, the last word on the subject has been compiled within its covers, it having been issued recently, October 15, 1914.

I have not had an opportunity to go through this valuable document, neither am I able to speak clearly upon its contents, but looking through the index I find that it covers almost every imaginable subject dealing with Government aid, State loans for workmen's dwellings, housing of State and other employees, loans of public funds to public-welfare building associations, giving the form of administration, the method of raising funds, unearned increment taxes, the purposes for which advances are made, the amounts and conditions of loans, the interest rates, the methods of repayment, the exemption of certain State taxes, foreclosure proceedings, right of construction on Government land, life insurance, etc. With that bulletin before you, ready to consult at any time, I believe that you will be fairly well informed as to what other countries are doing.

I am not, however, so deeply impressed with foreign experiences, or with foreign legislative experiments. I am vain enough to think that we are resourceful enough in the United States to be able to handle our own problems in our own way—probably a little better than the people in other countries can show us. Of course their problems are more local and probably are more easily treated than are ours.

Coming back to the question of the need for this legislation, I must say a word, gentlemen, with regard to that, but I will not go into it deeply. I want to say, with all the earnestness that I can command, that there is no greater need before the people of the United States to-day than legislation similar to that which is contained in this bill—H. R. 11329.

The first need is a fundamental and vital one, to safeguard political liberty and to preserve the economic freedom of the people who work for a living. The economic conditions in the United States, particularly among the employees of the larger corporations, commonly called "trusts," are anything but enviable. The men and women who work for those concerns—I will enumerate them presently—are practically bartering their very lives and their liberties away for the opportunity to have employment by which they can live from day to day. They do not do it willingly; they do it because of the iron law of economic necessity. As a consequence there is a feeling of unrest among the people, the wealth producers, that if you only knew it as I know it you would be thrilled. The people are wondering what they shall do to get from under industrial tyranny, which way they can turn in order that they may have a larger measure of freedom. The freedom of a human being rests upon one substantial natural feature, and that is, has he a place upon which he can stand and call it his own? That brings together the elements of human nature and natural opportunity—man and land.

In the past the gentlemen who formerly occupied official positions in this building were—either unwittingly or otherwise—unduly profligate with the disposition of the natural opportunities of our country. They gave away—bartered sometimes for little or no value—millions upon millions of acres of our public lands. I believe that a great many of them were actuated with the idea that encouraging capitalists to build railroads, inducing capitalists to operate mines, making it profitable for capitalists to develop certain tracts of land would eventually redound to the benefit of the people because the benefits received by the capitalists would sooner or later trickle through to the rest of the people in some manner of means, but the benefits have not trickled through quite as plentifully as justice would demand.

This bill calls for a change from those circumstances, and I am pleased to call it a bill that would restore, in some small measure at least, the common weal of the people to the people, so that they themselves could use it for their own economic benefit. I am not going to pretend, gentlemen, to analyze the bill. I have not had the time and I have not the ability—I am going to be perfectly honest—but if I were the author of the bill, or a member of this committee, I think I should not press too vigorous, at first, the colonization feature which it contains. I say that because of the fact that I have had a very varied experience in a great many States and in a great many

industries, and I find that the American people are not yet favorably inclined to the cooperative idea, which colonization would in part mean. The old individualistic desire to be one's own boss still lives in the hearts of our people, and if you can take the other features of the bill and conserve the public domain which still remains in the hands of the United States Congress so that the people can be reasonably assisted to reach those spots, with funds to sustain them for a limited period, with an interest charge which would not be excessive, it would quickly come back to the Government a hundredfold. It would not be a loss—it would be a large investment by the Government for the people, not only from the standpoint of revenue and the standpoint of increased population, but it would have the greater benefit and the one that appeals to me most strongly, it would relieve men who are now chafing under the arbitrary rules of employment in the big corporations that I am now going to refer to. The big corporations in the lumber industry, in the furniture industry, in the meat packing and slaughtering industry, in the agricultural implement industry, and in the iron, steel, and blast furnace industry, oppose with every means at their command the organization of their employees. In the industries which I have enumerated you will find, if you choose to examine them, conditions of economic thraldom that the world has never before known the like.

Mr. BROWNE. How does that condition compare with the condition of the same laborers, say, 5 and 10 years ago?

Mr. HOLDER. The condition is worse to-day than it was 5 or 10 years ago. It is gradually getting worse. Our organizations have not been able to make a dent in the armor of the men who control those trust corporations and such as are termed "big business." Most of the working people engaged in them are locked up during the working hours within four walls and, in innumerable cases, are surrounded with armed guards, even in time of peace. They work unreasonable hours and the men are tired and weary when they finish their tasks, and are absolutely unfit to talk to people.

Mr. COOPER. That does not speak very well for the labor organizations, then?

Mr. HOLDER. Yes; it does.

Mr. COOPER. If I remember aright, Mr. Gompers made a statement recently before this committee in which he said just the opposite to what you have said; that is, he said that through organized labor conditions, wages, and hours of labor had been much improved in the last 10 years.

Mr. HOLDER. Positively; and I agree with him. We can substantiate that fact; but it does not apply to the men employed in the industries and trust corporations which I have enumerated.

Mr. COOPER. I was referring to the question asked by Mr. Browne.

Mr. HOLDER. I was answering Mr. Browne's question as applying to these industries, but not as applying to the other industries. Take, if you please, some other trades. Take the railroad business. There is not a man working for a railroad to-day who is working under such onerous conditions as he did 5, 10, 15, 20, or 25 years ago. And, Mr. Cooper, the reason that the conditions have been bettered among railroad employees has been because of the fact that the men who have been so employed have fought like tigers for their rights and

they have made the most tremendous sacrifices. No man knows that better than you, Mr. Cooper.

Mr. COOPER. You have reference to the men who are not affiliated with the organized-labor movement?

Mr. HOLDER. Not connected with it in any shape, manner, or form.

Mr. LONDON. Is that because organized labor can not reach them?

Mr. HOLDER. Yes, sir; not because we have not spent hundreds of thousands of dollars in literature and years of personal effort. I do not want to relate any personal experiences here.

Mr. COOPER. You do not want to take in all classes of labor?

Mr. HOLDER. We do want to take in all classes of labor, but I am not referring to that now. I am specializing.

Mr. BROWNE. I have not had any personal observation upon this subject, but once in a while I get books that illustrate the conditions in different large plants, some of them steel plants, I think, the steel companies illustrating the environments around the plant—the rest rooms and places of that kind—which would cause anyone to believe that the conditions are fine. Have you ever seen any illustrations of that kind?

Mr. HOLDER. Yes, sir; I have seen them taken. I have seen them prepared for just such publications to capture the good will of people who have had not had an opportunity to make a personal examination of the surroundings or have a personal first-hand touch with the awful conditions of servitude that prevail, especially where the United States Steel Corporation controls. Time will not permit me to go into those agonies, and I do not even want to call upon my own experiences, because some of them would have to be told in such a personal way that it would appear that I was trying to advertise myself, which I am not. I am going to ask you gentlemen, whenever you have an opportunity, to stop in some steel town and just move around for a day or two or a week. You will not want any better vacation than simply to talk with the men on the corners, if you can get them to talk to you. If you are a member of a fraternity, whether it is the Masonic fraternity, the Knights of Columbus, the Knights of Pythias, or the Odd Fellows, so that you can reach the men and expect to get their confidence, I am almost ready to guarantee that you will not be able to ascertain the truth, even then, when you shake a brother by the hand and know that you are exchanging the proper grip.

Mr. LONDON. Is that because of intimidation?

Mr. HOLDER. They will be found reluctant to talk to you as a stranger because of the fear that you are trying to ascertain something about them that will endanger their jobs, and if they lose a job in that locality they are marked men and can not go to another locality where the same concern operates the same business or has an affiliated business connection with it, so that they really have to leave the town or the business and find some other occupation.

Mr. COOPER. You are speaking of organized labor?

Mr. HOLDER. No; I am speaking about unorganized labor employed by the trusts and big corporations.

Mr. LONDON. Is this condition which you have described due to the impossibility to organize the people?

Mr. HOLDER. Yes, sir; and every day makes it harder. At the present time we are conducting a campaign in western Pennsylvania and eastern Ohio, wherever the hot-metal industry runs, from central Pennsylvania to eastern Ohio, where the Bethlehem Steel Co. and other concerns operate, trying to do all we possibly can. Every once in a while there is an industrial eruption. You may probably remember the strike at the Bethlehem Steel Works in 1910. You remember the recent calamity that took place at East Youngstown, only a few weeks ago. At the present time the pot is boiling in the vicinity of Pittsburgh, where the Westinghouse concerns are merged along with the large steel companies. The press does not dare to say a word for labor, the public men do not dare to say a word for labor, and there is no one left to fight their battles but our organizations.

The men who have already affiliated themselves with the affairs of organized labor have made up their minds that the task is theirs. We are going to continue to keep at it until we can bring about remedies and until we secure relief for the men who are willing to act with their associates and who believe in being self-helpful through a labor organization. In other industries we have made tremendous strides, particularly during the last 25 years. We have established freedom of occupation, freedom of representation, we have shortened the hours of labor at least 20 per cent in many occupations, and in some cases 25 per cent and 30 per cent, and we have increased wages from 25 per cent to 200 per cent. That is a tremendous march of events. We have obtained the right of seniority and the right of representation for the workers before the employers. We have restored the right of a man to belong to himself. We have restored political liberty. We have improved sanitary conditions. We have improved safety conditions; and we promise you that we are never going to quit in our endeavors to lighten the lot of our fellow workers. We are going to keep continually at it until all the natural rights of all men are permanently restored.

"Life, liberty, and the pursuit of happiness" shall yet be a positive actuality and not a mere fiction garbled by the lips of self-seekers in a meaningless, thoughtless manner.

Mr. LONDON. You have achieved the best results in those industries which have not been monopolized?

Mr. HOLDER. Yes, sir.

Mr. LONDON. With the exception of the railroads?

Mr. HOLDER. Yes, sir.

Mr. LONDON. Where it is possible for the workers to paralyze transportation?

Mr. HOLDER. Not that so much. I would put it this way: Where we have had an opportunity to get at the workers while they are still awake, where their energies have not been exhausted, and where their intelligence is still alive. When we can converse with them during the waking hours of the day and appeal to their best faculties, we can interest them, but where they men come out of the mill or factory after a long day of driving toil and agony, being driven like mules for 10, 11, or 12 hours a day, they do not want to talk about anything; they are too anxious to lay down and rest their wearied bodies and prepare for the next day's monotonous grind.

Mr. COOPER. A great many of them are hard to reach because they can not read?

Mr. HOLDER. Unfortunately a great many of the foreigners can not read. Under such circumstances we have only one avenue to their intelligence and that is through their ears, and if we can not speak their language and they can not understand ours that avenue of intelligence is closed. If they can read, we have that second and best avenue to their intelligence, and we can explain by the written or printed word our purposes and our desires to them in their own language so that they can read and reason it out for themselves.

Mr. LONDON. In those industries where you find it hard to organize, what part does the native American worker play, so far as organization is concerned? Does he obstruct the organization of workers and help the employer to keep the others down, or does he help the foreigner to bring himself out of that miserable condition?

Mr. HOLDER. In my experience I have found that the American worker is usually helpful to the foreign worker. He sometimes shows impatience if the foreigner does not come along quickly. That is a condition which must not be overlooked. Of course, it is difficult to make the foreigner understand our purposes, it takes time, it can not be always accomplished on the impulse of the moment.

I want now to tell you about something that is happening in the United States which is really more interesting than anything contained in Bulletin 158 on Government aid in foreign countries, because it is an indication of wonderful progress among our own wage earners here at home.

RESOLUTION BEFORE SAN FRANCISCO CONVENTION, AMERICAN FEDERATION OF LABOR.

At the last convention of the American Federation of Labor held in San Francisco, November, 1915, this resolution was introduced by the delegates from the Portland (Oreg.) Central Labor Council, and, with your permission, I am going to read it, because if I merely put it in the record I am afraid you will not have time to read it.

Whereas, the Central Labor Council of Portland and vicinity, in an effort to abolish involuntary unemployment in Oregon, has drawn up for submission to the people thereof by the initiative and referendum a measure designed to accomplish this purpose and make the land and natural resources accessible to the people, said measure being known as the people's land and loan measure; Therefore be it

Resolved, That we petition the Thirty-fifth Annual Convention of the American Federation of Labor to aid us in placing this measure on the ballot and passing same at the coming general election, as follows—

Of course, you know that they have the initiative and referendum in full operation in the State of Oregon.

(1) By commanding the measure to the workers and producers of Oregon and urging their individual support of same.

(2) By recommending to all affiliated organizations voluntary moral and financial assistance.

(3) By instructing the organizers of the American Federation of Labor, who may be in Oregon during either campaign, to aid us in so far as they may without interfering with their specific duties.

(4) That the convention shall urge all affiliated internationals to aid us by instructing the organizers and officers, when in Oregon, to cooperate with us in so far as they may without interfering with their specific duties.

That resolution was referred to the committee on resolutions and the secretary of that committee reported as follows:

Your committee recommends that the resolution be referred to the executive council with instructions to take up the subject with the Oregon State Federation of Labor.

A motion was made and seconded to adopt the report of the committee, and, after some discussion in the convention, which I will not stop to read to you; but which, I think, should be incorporated in the record, the motion to adopt the report of the committee was carried by a unanimous vote.

Since the consideration of the resolution by the convention. I am very glad to be able to report that the executive council of the American Federation of Labor took this resolution under consideration at its quarterly session in February, 1916, and they unanimously indorsed the measure.

DISCUSSION UPON THE OREGON RESOLUTION AT THE SAN FRANCISCO CONVENTION OF THE AMERICAN FEDERATION OF LABOR.

Delegate Smith, of Portland, said: "This legislation in Oregon is being urged by the Central Labor Council of Portland. It will be presented to the voters. We have the entire support of the labor movement in Oregon, and we would like to have some indorsement from this convention. I would like to ask the committee how long it will take to get action on this proposition?"

Secretary Frey said: "The question will probably be taken up by the executive council immediately after the adjournment of the convention."

Delegate Bourne spoke briefly in favor of the resolution, and stated that quick action was desired.

Delegate Smith, in explaining the measure, said in part: "This measure is the direct result of study and investigation upon the part of the Central Labor Council of Oregon of the question of unemployment, and what can be done in a legislative way to abolish that evil. In Oregon, as in many other States, or practically all of the States, the large interests are backed by the money power and they have control to a greater or less degree of the land and of the natural resources. In Oregon we have as our fundamental industry the timber industry, and the Southern Pacific Railroad and the great timber barons have possession of our resources. In studying the unemployment problem we decided that there was only one way to get these resources back. We have many men in our State, as you people have in your States, who would like to get out upon the land. They can not do so without paying the inflated speculative prices, and, if they do have an opportunity to get upon the land, they haven't the money to do so. This bill is a combination of what is familiarly known as single tax and State aid. It does not go all the way. The only way we can hope to get the land and the natural resources back to the people is through taxation. It seems that the Government has never been able to limit taxation, and we propose to levy as a State tax such a sum per year as is equal to the land rent, whether it is used or whether it is not used. A third of all of this rental will be placed in a homeseekers' loan fund. From this fund the men and women in the country and in the city can borrow from the State a sum equal to \$1,500. They will have 20 years to repay it. The first five years they will pay no interest except the administrative expenses of the loan. The next 15 years they will pay a small rate of interest. We hope this will grow and develop so that in time we will not have any private banks in Oregon. Under this bill there can be no tax levied upon personal improvements by a mere scratch of the pen. It will have to be done by and through the consent of the people. If property is sold for delinquent taxes the State will pay all the delinquent taxes and the value of the improvements that have been made. When the State once acquires title to a piece of property because of delinquent taxes the title from that time on is vested in the State and it can not be sold to private individuals. It must be leased."

Delegate Smith described at some length the benefits that would accrue from the legislation and the work that had been done in perfecting the bill.

The motion to adopt the report of the committee was carried by unanimous vote.

I am going to now ask your indulgence to read a part of the proposed new bill of rights and to have the whole incorporated in the record. I know that this will give you more enlightenment than all of the matter contained in Bulletin 158 and all of the other appeals that have been made to you for the necessity of this legislation; it shows the resourcefulness of the working class in the great State of Oregon. There are thousands and thousands of union workmen in other States that indorse absolutely all of the principles that are contained in this proposed bill of rights of the people of Oregon.

Mr. BROWNE. When will that be submitted; in November, 1916?

Mr. HOLDER. Yes, sir; and it will be worth watching. Of course, it is the chief object of public interest in that State now, more than the election of any man or any set of men to fill offices. It is called the bill of rights.

Article 1 is entitled "People's power and rights."

PROPOSED BILL OF RIGHTS, STATE OF OREGON—PEOPLE'S POWER AND RIGHTS.

SECTION 1. (a) We declare that all citizens have equal rights; that all power is inherent in the people, and all just governments are founded on their consent and instituted for their peace, safety, prosperity, and happiness; that they have at all times a right to alter, reform, or totally change the government when a majority of those voting believe they can thereby promote the general welfare.

CITIZENS' RIGHT TO USE OF LAND.

(b) We reaffirm our faith in the self-evident truths of the Declaration of Independence, "That all men are created equal; that they are endowed by their Creator with certain inalienable rights; that among these are life, liberty, and the pursuit of happiness." In pursuance of these rights all citizens of Oregon are equally entitled to exclusive possession, for their personal use, of land enough for their homes and to yield a living by their labor, without paying any person for the right to live and labor on the land.

That is something new and novel to go into the constitution of a State.

PUBLIC OWNERSHIP OF LAND RENT.

(c) Public ownership of all land rent is right, because such rent is created by the presence, industry, and productive power of the whole people. Private ownership of land rent is the chief cause of land monopoly, land speculation, and economic oppression—

Which in my previous remarks I have so vividly referred to.

It is therefore right and necessary, in order to promote the general welfare, that all land rent shall be collected by public taxation, whether the land is actually used or not.

PUBLIC POLICY.

(d) It is the public policy of Oregon—

First. To abolish all forms of land monopoly so as to prevent any person from getting a profit by owning land without using it.

Second. To abolish involuntary unemployment and poverty in this State by enacting such laws as shall insure to all citizens opportunity for the exclusive possession and use of enough land to employ themselves and make their homes.

Third. To protect all persons in the absolute ownership of the value of their land improvements and the income therefrom.

DEFINITION OF THE WORD "LAND."

(e) For purposes of assessment and taxation appraisement, the word "land" means the earth, including soil water, water power, minerals, stone, natural oils, gases, timber of natural growth, and all other natural resources before being severed, removed, or withdrawn from their natural position.

I pause for a moment to add that one of the questions before this committee in its previous consideration of Mr. Crosser's bill was "How shall we do it?" I believe that question is answered in the proposition by the Oregon people about as quickly and as definitely as anything that I have seen or heard, and, of course, a great deal better than I could advise.

DEFINITION AND METHOD OF APPRAISING LAND RENT.

(f) The words "land rent" as used in this section mean the fair and just price per year, as appraised by public officers, that a renter should pay for the use of any lot, tract, parcel, or quantity of land on a lease which includes the following conditions:

First. That the renter has a five-year lease with the perpetual right to renew his lease at the end of each five-year term.

Please note the inclusion of the words "perpetual right."

Second. That the rent shall be appraised and readjusted every fifth year, when the lease is renewed for the next five years, and that "land rent" shall not include any charge for the use of land improvements.

Third. That there shall be no increase of the "land rent" because of additional improvements and betterments made on, in, or under the land.

Fourth. That the appraised land rent shall be paid to the public tax collector.

Fifth. That there shall be no tax or other charge to be paid by renter for the use of the land except the appraised "land rent," and there shall be no tax on the market value of the land, except as hereinafter provided in paragraph (h) of this section.

Gentlemen, would you like me to read the rest of this bill of rights, or shall I incorporate it in the record?

Mr. COOPER. It might be as well to incorporate it in the record.

Mr. HOLDER. It is wonderfully entertaining and it is not tiring to me to read it.

Mr. LONDON. Then proceed to read it.

Mr. HOLDER (reading):

DEFINITION OF LAND IMPROVEMENT.

(g) The words "land improvements" mean buildings, clearing, ditches, drains, orchard trees, vines, crops of all kinds, fences, and all other useful and ornamental changes, growths, and additions made by labor and capital in or to any natural resources, or on, in, or under any lot, tract, or parcel of land.

That definition is pretty sweeping.

LEVY OF PERMANENT LAND-BENT TAX.

(h) During the year 1917 the State land board shall cause the county assessors and State tax commission to appraise the annual land-rent price of every lot, tract, parcel, and quantity of land on the basis set forth in paragraph (f) of this section, except land owned by the National, State, and local Governments. The State land board is hereby granted full authority to manage, control, and direct such appraisalment, and to employ such expert assistance as the board may consider necessary and to expend from the general fund of the State treasury the sum necessary for that purpose. Such appraisalment shall be made again in the year 1922 and every fifth year thereafter.

Beginning on the 1st day of January, 1917, all the appraised land rent of the land of Oregon (except such land as is now exempt by law from tax) shall be collected as a public tax in such manner as may be provided by the rules to be made by the State land board: *Provided*, That no such rule shall be contrary to the provisions of any lettered paragraph of this section, nor contrary to general laws for that purpose that may be hereafter enacted by vote of the people. The land-rent tax shall be paid whether the land is actually used or

not used. This section shall not prevent the collection of taxes levied in 1917, for the year 1916, on the assessment made in 1916, or any previous assessment. After the making of the above tax levy for 1916 no other or further tax shall be levied on the market value of land and the above land-rent tax shall thereafter be the only tax on the ownership or use of land in Oregon.

Mr. BROWNE. Is that a proposed amendment to the Constitution?

Mr. HOLDER. Yes, sir. I pause to say that it is an evidence of the intent of some of the people of the United States to have actual, full, and complete home rule by putting all the details into the Constitution so that they can not be upset by the courts afterwards. It is a most practical and revolutionary proposition.

Mr. BROWNE. I notice that you mentioned 1917?

Mr. HOLDER. Yes, sir.

Mr. BROWNE. When does that go into effect? Before the citizens vote for it in November, does it not have to go before the legislature?

Mr. HOLDER. I do not know what the complete system is in that State. I believe in Oregon the referendum is complete and final, and that is the reason that they present it in this form. It evidently is for the purpose of avoiding having the legislature even act upon or interfere with it.

Mr. BROWNE. In most of the States a resolution has to pass two legislatures and then goes before the people.

Mr. CROSSER. They do not have that system in Oregon. This will become effective immediately after being submitted to the people. I thought you had reference to the passage of laws.

Mr. BROWNE. They can amend the constitution by a referendum?

Mr. CROSSER. Yes, sir; we do that in our State.

Mr. HOLDER (reading):

PUBLICATION OF ASSESSMENTS.

(i) The State land board shall provide every fifth year, when the land rent appraisal is made, for publication and distribution to every taxpayer a copy of the assessment and tax roll for the county in which he owns property, or for any subdivision thereof, including his property, as the board may deem necessary. In such published rolls the names of owners shall be alphabetically arranged, and under each owner's name shall be listed all the land rents and other property for which he is assessed in that county or subdivision.

DELINQUENT TAX SALES.

(j) The State land board shall bid the amount of delinquent tax and land-rent taxes, with penalties and costs, but no more, on any land offered for sale at delinquent-tax sales. The title to all land that may be sold to the State for said delinquent taxes shall vest absolutely in the State at the expiration of two years from the date of sale, if the land is not sooner redeemed. The title and ownership of improvements on, in, or under any land sold for taxes shall not be acquired by the State or any other purchaser on such sale, unless the improvements are also sold for a tax levied on the improvements. The State shall rent its land by leases, including the conditions of paragraph (f), with such other conditions, covenants, and agreements as the State land board may order. The State shall not sell any land.

(k) If any person's land-rent tax, payable in one county, exceeds \$12 per year, such tax shall be paid in equal monthly, quarterly or semiannual installments as may be provided by law, or by the rules of the State land board. Failure to pay any installment of land-rent tax when due shall render such tax delinquent and immediately subject to such penalties and process for collection as may be provided by law or by the rules of the State land board.

RIGHTS OF PRIVATE PROPERTY MAINTAINED.

(l) One purpose of this section is to restore public ownership of land rent, but it does not change, limit, or abolish any person's right of private property and exclusive possession of land and land leases, as long as the land-rent tax is paid.

SEPARATE ASSESSMENT OF LAND RENT.

(m) The amount of yearly land-rent tax of every lot, tract, parcel, and quantity of land shall be listed in the assessment and tax rolls separately from other taxes and from the assessed value of any personal property, and separately from the taxes and assessed value of any improvements on, in, or under such land.

STANDING TIMBER.

(n) Standing timber of natural growth shall be assessed and taxed as a part of the land on which it grows.

ASSESSMENT AND COLLECTION OF TAX.

(o) The laws in operation for assessing property and levying and collecting taxes and delinquent taxes when this section is adopted shall continue in force, and shall be applied to the collection of the tax hereby levied on land rent, except as herein provided, and as such laws may be changed by amendments and rules made hereafter in accordance with this section.

DUTY OF GOVERNOR.

(p) It is the duty of the governor to enforce all the provisions of this section and all the laws for its application and the rules of the State land board. For that purpose the governor may remove any members of the State tax commission and any assessor or appraising officer for incompetence, failure, neglect, or refusal to do their duty as prescribed by this section, or by the laws or the rules of the State land board, and shall appoint their successors in office for their unexpired terms.

DUTIES OF THE STATE LAND BOARD.

(q) The governor, secretary of state, and State treasurer constitute the State land board. Any two of the members constitute a quorum to do business.

The duties of the board are:

First. To make, promulgate, and publish all rules expedient to apply and enforce the provisions of this section not in conflict herewith.

Second. To prescribe all forms and blanks for use under this section.

Third. To provide for making all loans as safe and secure as practicable, and to require insurance of all perishable land improvements and other security taken for the repayment of loans.

Fourth. To provide methods of appeal, for any person interested, from the decision of a local appraiser who recommends approval or rejection of an application for a loan.

Fifth. To make its forms, blanks, and rules so plain that there will be no need for an applicant to employ a lawyer in preparing or presenting his application for a loan. Every such rule made by the board shall have the force and effect of law until it is changed or repealed by a general act or law adopted by vote of the people at a regular general election. No such measure shall be submitted to the people at a special election.

SPECIAL TAXES ON PERSONAL PROPERTY AND LAND IMPROVEMENTS.

(r) A special tax may be levied on personal property and land improvements in any year, for local purposes only, by school and road districts, towns, cities, and counties. Every such levy shall be proposed by the usual form of initiative petition and shall be made only if it is approved by a majority of those voting on the question. All initiative petitions proposing such tax levies shall be legally filed with the county clerk not later than the first Monday in September, and shall be submitted to the people for approval or rejection at the

election to be held on the first Tuesday after the first Monday in November next after the filing of such petitions. The question as to each proposed levy shall be printed only on the ballots for use in the territory to which the proposed special tax levy applies. Special elections for that purpose may be ordered when there is no general election to be held on said first Tuesday, and in all cases the vote shall be taken at all the regular polling places. The laws governing special and regular elections in the submission of measures shall apply to such special tax-levy election. Every person qualified to vote for governor of the State shall be entitled to vote at any such tax election.

DISTRIBUTION OF REVENUE FROM LAND-RENT TAX.

(s) Two-thirds of the revenue obtained in each county from the land-rent tax levied in that county shall be divided among the different towns, cities, ports, and all other municipalities in the county, and between that county and the State, by allowing and paying to each the same proportion of this two-thirds that each received from the general tax levy of 1915. The above distribution of two-thirds of the revenue from said land-rent tax may be changed from time to time by law.

HOME MAKERS' LOAN FUND.

(t) The home makers' loan fund is hereby established in the State treasury. One-third of all revenue hereafter obtained from the State from said land rent tax, and all revenue hereafter obtained from the present inheritance tax rate, shall be deposited in the State treasury to the credit of that account. The amount of this fund may be increased in any manner and from any source that is now or may be hereafter provided or levied by law first approved by vote of the people. This fund shall be administered by the State land board. This fund shall be loaned to home makers, both in town and country, in amounts not exceeding two-thirds of the actual value of the land improvements they may make or have already made, on any lot or tract of land. Payment to the borrower of portions of such loan may be made at definite periods to be fixed by the board, as such improvements may progress. Every such loan shall be the first lien on the land and improvements, except taxes, and every such home and improvement shall be exempt from execution except only for State loans, and interest, taxes, and the purchase price.

One purpose of this section is to help persons with no capital but their labor and character to make homes and farms, but not more than \$1,500 shall be loaned for the making of one such home or farm. The board may limit the amount of such loan that any person may draw in any year. This fund is for loan to those who are now trying to develop farms and make homes, as well as to persons who begin hereafter.

If the sum total of all the property owned by any family shall exceed \$2,250 in value, then no part of such fund shall be loaned to any member of that family.

COST, INTEREST, AND TIME OF REPAYMENT.

(u) The average actual cost of making, securing, and administering said loans shall be estimated by the State land board, and a percentage sufficient to cover the same shall be deducted from every loan and charged to the borrower as the sum is advanced to him. The loans shall be secured by first mortgage on the improvements and the land. There shall be no interest on any such loan for the first five years, and thereafter the rate of interest shall not be greater than 6 per cent per annum. Every such loan may be made repayable by installments, but the final payment shall not in any case be more than 20 years from the date of the loan, unless such limitations shall be extended by law.

FORM AND PAYMENT OF STATE WARRANTS ON HOME MAKERS' LOAN FUND.

(v) The warrants drawn on the State treasury for said home makers' loan fund shall be designated as such; they shall be payable on demand in lawful money of the United States of America, shall not bear interest, and shall be at all times receivable by all tax collectors at their face value for one-third of all

land-rent taxes, and shall at all times be received by the State treasurer in payment of all amounts due the State for such loan fund account. Said warrants shall be issued in denominations of \$1, \$2, \$5, \$10, and \$20. Every such warrant, when received by the State treasurer, shall be canceled and shall not be reissued. Such warrants shall be preserved for five years after being canceled. The total amount of such loan fund warrants outstanding at one time shall never exceed two years income of said loan account as estimated by the State land board.

SELF-EXECUTING.

(w) This section is self-executing in all its provisions and paragraphs, and shall take effect and be in operation as to all assessments made after the 1st day of January next after its approval and adoption by the people of Oregon. The provisions of this section do not apply to any assessments or taxes made or levied before the 1st day of March next after its approval by the people. All provisions of this section relating to the home makers' loan fund because operative and effective on the 1st day of December next after approval of this section by the people.

(x) All provisions of the constitution and laws of Oregon in conflict with this section, or any part hereof, are hereby repealed in so far only as they conflict herewith. Any lettered paragraph of this section may be amended without resubmitting the entire section.

Mr. COOPER. Will the people vote on this amendment next November?

Mr. HOLDER. Yes, sir. They are conducting the campaign now.

With reference to the provisions in Mr. Crosser's bill, of course, I can not speak from a legal standpoint, not being a lawyer, but I do dare to read the Constitution occasionally. Fortunately the study of the Constitution by the common people is not prohibited as yet. I do not think that any man would have the temerity at any time to say that the principle contained in this proposition is an unconstitutional one. They might say that it was straining the Constitution, but in the preamble, under the "general welfare" clause, it would be admissible, and, in section 8, the Constitution says:

The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and provide for the common defense and general welfare of the United States.

So I rest my argument, from the constitutional standpoint, upon the "general welfare" clause. Many people felt as though the world was moving rapidly when only two days ago the Senator from South Carolina, Mr. Tillman, said publicly upon the floor of the Senate that the "general welfare" clause of the United States Constitution was broad enough and deep enough for the Congress of the United States to do anything for the people of the United States. That was a strong, sweeping statement, and evidence that we are certainly making some very rapid progress.

I think it has interested you to learn what the American Federation of Labor did at its annual convention about this proposition in Oregon, and I wanted to call your attention to this splendid document (U. S. Bulletin No. 158, issued by the Department of Labor), wherein you can find all the information you desire with reference to foreign countries.

Mr. CROSSER. You made reference to the fact that wages had been increased many times as the result of organization?

Mr. HOLDER. Yes, sir.

Mr. CROSSER. Under our present economic system does it not also happen that the things which labor must buy have increased in price many fold?

Mr. HOLDER. Yes, sir. Just at that point, Mr. Crosser, permit me to interrupt you in order to say this, because the world does not recognize it, and many of the critics of the organized-labor movement do not recognize it. Remember that the poor employee not protected by any labor organization who is working for one of the trustified corporations is still getting only the former wage rate of \$1.25 and \$1.50 a day, working 10, 11, or 12 hours per day, and has to pay the increased prices on all the necessaries of life. Such a man has not received any increase in his wages, but the organized workman has received increased wages to meet the increase in his expenses. The world does not recognize that fact. Just imagine what wonderful financiering a man and his wife must do in this day and generation in order to manage to pull through and meet their expenses upon such a pitiable stipend as \$1.25 or \$1.50 per day, which the trusts I have enumerated are still paying their semiskilled and unskilled laborers.

Mr. CROSSER. I intended to call your attention to the fact that if the natural resources—in other words, the sources from which all wealth must come, including the compensation of labor—were not monopolized and were open, would not that prevent the unnatural increase of these things, and would not labor get its full return?

Mr. HOLDER. If the principle of your bill should be enacted into law, it would have this effect: It would enable the independent, self-reliant, resourceful workingmen of the United States to work for themselves and not have to hunt around to find a boss to work for. The workers would then be able to get the full value of the product of their labor, which is really the dream of the ages, and which we are working steadily toward. It would prevent economic oppression; it would limit, maybe prevent, political chicanery; it would reestablish liberty; and it would make this Nation that which our forefathers dreamed of when they wrote the declaration of Mecklenburg and the Declaration of Independence. Is that an answer to your question?

Mr. CROSSER. Yes, sir.

Mr. COOPER. The only chance that anyone has in this great land of ours to-day, with very few exceptions, is to go into something for themselves?

Mr. HOLDER. Yes, sir; and the opportunities are constantly becoming fewer.

There is only one feature of this bill that I do not like. I would not want to get some land which would drive me away from my people and into the mountains or arid West.

Mr. BROWNE. How would you correct that?

Mr. HOLDER. I would use the power of the Government for the benefit of all the people instead of the power of the Government being used for a small part of the people, as in the past. I would make an investment of the United States funds in tracts of land that could be secured by reasonable compensation, secured at bargains, and then let the people of the United States in any State, in any community, have easy, helpful access to them.

Mr. CROSSER. The enactment of this bill would make that possible?

Mr. HOLDER. Yes, sir; but \$50,000,000 is not enough; it should be a

billion dollars, because all that money would come back to the people through the Government. It would be a way out, a safe, sane, practical business proposition.

In conclusion, gentlemen, and as replies to earlier questions you put to me, permit me to present three tables on wage statistics. I have prepared them with the idea of making them easily read and understood at a glance. That should always be the real, scientific ideal in the minds of statisticians. Unfortunately, however, the ordinary tables on wage statistics require columns of text to explain, and by the time that is read the tables become more confusing than ever.

The figures I present herewith only require this simple explanation. The first three columns of Table I are taken from the official data in the Thirteenth Census Reports.

The next three columns and the whole of Table II are my deductions. A mine of information is disclosed and represents the actual production and wages for all labor—organized and unorganized—in our manufacturing industries since 1850.

Table III represents the wonderful worth and value of trade unions to the workers of our land. Make your own comparisons; form your own judgments.

TABLE I.—*Abstract and analysis of census statistics on manufactures.*

| Year. | Average number of wage earners. ¹ | Total annual wages. ¹ | Total annual value of products. ¹ | Average per capita production. ² | Average annual wage. ³ | Per cent of product paid in wages. ³ |
|-----------|--|----------------------------------|--|---|-----------------------------------|---|
| 1850..... | 957,059 | \$236,755,464 | \$1,019,106,816 | \$1,064 | \$247 | 23.21 |
| 1900..... | 4,712,763 | 2,008,361,000 | 11,406,927,000 | 2,420 | 426 | 17.60 |
| 1905..... | 5,468,383 | 2,610,445,000 | 14,793,903,000 | 2,705 | 477 | 17.63 |
| 1910..... | 6,615,046 | 3,427,038,000 | 20,672,052,000 | 3,125 | 518 | 16.57 |

¹ Data obtained from pages 4 and 5, Bulletin on Manufactures, Thirteenth Census, United States, 1910, issued by the U. S. Bureau of the Census.

² Analysis of census data by Arthur E. Holder.

TABLE II.—*Analysis of census statistics on manufactures, demonstrating that wages fail to increase in same degree as production increases.*

| INCREASE IN PRODUCTION. | | INCREASE IN WAGES. | |
|------------------------------------|-----------|------------------------------------|-----------|
| Per capita increase in production: | Per cent. | Per capita increase in wages: | Per cent. |
| In 50 years, from 1850 to 1900.... | 127 | In 50 years, from 1850 to 1900.... | 72 |
| In 55 years, from 1850 to 1905.... | 154 | In 55 years, from 1850 to 1905.... | 98 |
| In 60 years, from 1850 to 1910.... | 193 | In 60 years, from 1850 to 1910.... | 109 |

TABLE III.—*ECONOMIC GAINS THROUGH TRADE-UNIONISM, ARRANGED BY INDUSTRIAL GROUPS.*

BAKERY AND CONFECTIONERY WORKERS.

Before organization the hours for these workers ranged from 10 to 18 per day and wages from \$1 to \$1.50 per day.

Since organization hours have been reduced to 9 and 8 per day and wages have been increased, so that they now get a minimum of \$2.40 for "second and third hands" and \$3.60 and over for "first hands."

BRICKLAYERS, STONEMASONS, AND PLASTERERS.

Before organization the hours for these workers ranged from 10 or more per day and wages from \$2 to \$3 per day.

Since organization hours have been reduced to 8 per day and in many places 44 per week and wages have been increased, so that they now get from \$4 to \$7 per day in the different localities.

BLACKSMITHS, BOILER MAKERS, MACHINISTS, MOLDERS, PATTERN MAKERS, AND OTHER METAL WORKERS.

Before organization the hours for these workers ranged from 10 or more per day with no increased rates for overtime. Wages ranged from \$1.50 to \$3.

Since organization hours have been reduced to 9 and 8 per day and wages have been increased, so that they now get from \$2.50 to \$8 and over per day.

BOOKBINDERS, COMPOSITORS, ELECTROTYPEERS, PRESSMEN, LITHOGRAPHERS, AND OTHER PRINTING TRADESMEN.

Before organization the hours for these workers ranged from 10 or more per day and wages from \$1 to \$3 per day.

Since organization hours have been reduced to 8 and 7 per day and wages have been increased, so that they now get \$2.50 to \$5.50 per day.

BREWERY WORKMEN.

Before organization the hours for these workers ranged from 10 to 14 per day and wages from \$1.50 to \$2.50 per day.

Since organization hours have been reduced to 9 and 8 per day and wages have increased, so that they now get from \$2.50 to \$5.50 per day.

BRIDGE AND STRUCTURAL-IRON WORKERS, GRANITE CUTTERS, STONECUTTERS, ELECTRICAL WORKERS, CEMENT WORKERS, CARPENTERS, PLUMBERS, MARBLE SETTERS, SHEET-METAL WORKERS, STEAM FITTERS, PAINTERS, AND OTHER BUILDING TRADES.

Before organization the hours for these workers ranged from 10 or more per day and wages from \$1.50 to \$3 per day.

Since organization hours have been reduced to 8 per day, and in many localities to 44 per week, and wages have been increased, so that they now get from \$3.50 to \$6.50 per day.

CIGAR MAKERS.

Before organization the hours of cigar makers were unlimited, frequently amounting to 16 and 18 hours per day. Cigars were made in tenements, prisons, and under all kinds of insanitary surroundings. Wages were pitifully low, from 50 cents to \$1.80 per day.

Since organization hours have been reduced to 8 per day. Shops have been made clean and sanitary. Working conditions have been humanized. The general health of the workers has been greatly improved. Tuberculosis has been reduced over 75 per cent. Wages have been increased, so that the organized cigar makers can now earn from \$2.50 to \$7.50 per 8-hour day.

ENGINEERS AND CONDUCTORS ON RAILROADS.

Before organization the hours for these workers were unlimited and wages ranged from \$2 to \$3 per day.

Since organization 100 miles or 10 hours has been made the day's service and wages have been increased, so that they now get from \$3.80 to \$7 per day's work.

RAILROAD FIREMEN, TRAINMEN, AND SWITCHMEN.

Before organization the hours for these workers were unlimited and wages ranged from \$1.50 per day to \$60 per month.

Since organization 100 miles or 10 hours has been made the day's service and wages have been increased, so that they now get from \$2.45 to \$4 per day.

TELEGRAPHERS, RAILROAD AND COMMERCIAL.

Before organization the hours for these workers were unlimited; they worked 365 days per year for wages as low as \$15 per month, rarely ever reaching \$60 per month.

Since organization hours have been reduced to 9 and 8 per day, with a weekly rest day, and wages have been increased, so that they now get from \$55 to \$150 per month.

GARMENT WORKERS AND OTHER NEEDLE TRADES.

Before organization these workers were "sweated" and impoverished in the most brutal manner.

Since organization their hours have been reduced to 9 and 8 per day, "sweatshops" have been largely eliminated, and clean, healthy, sanitary workshops have been provided; they are now able to earn by piecework rates controlled by their organizations from \$1.50 for the lower-grade operations to \$6 and more per day for cutters and designers.

STREET RAILWAY EMPLOYEES.

Before organization, the wages for these workers ranged from \$1.25 to \$1.75 per day for a 12-hour day and over.

Since organization, hours have been reduced to 10 and 9 per day and wages have been increased so that they now get from \$1.80 to \$3.50 per day.

MINE WORKERS—COAL AND METALLIFEROUS.

Before organization, the hours for these workers were unlimited and wages ranged from nothing to possibly \$2 per day in a few rare instances. History has recorded the fact that many unorganized coal miners have died in debt to their employers, which debt was left as a legacy for their children to cancel by hard toil and deprivation, and, of course, all were subjected to many deprivations of liberty which we all consider inherent to the rights of man.

Since organization, hours have been reduced to 8 per day, and the minimum wage has been set at \$2.88 per day for coal and \$3.50 per day for metalliferous miners, and the earning power of organized miners on high-price rates per ton for digging permits them to earn as high as \$5 and over per day, according to the vein of coal or material in which they are working. Organized mine workers in all communities are now rated as high-grade citizens, whereas before they were organized they were universally ignored or mistreated.

SEMISKILLED AND UNSKILLED LABOR—HOD CARRIERS, MUNICIPAL EMPLOYEES, BUILDING LABORERS, SECTION HANDS, FACTORY HELP, MIGRATORY WORKERS, TEAMSTERS, ETC.

Before organization, this large class of semiskilled and unskilled labor worked from 10 hours per day up to whatever satisfied the whims of their employers and wages ranged from 75 cents to \$1.50 per day.

Since organization, hours have been reduced to 9 and 8 per day in hundreds of localities and wages have been increased so that they now get wages varying from \$1.50 to \$3 per day for unskilled labor. Hod carriers, teamsters, rock drillers, and many others with special training get as much as \$4 and more per day of 8 hours.

I am very much obliged to you gentlemen, for the opportunity of appearing before your committee.

(Thereupon the committee adjourned to meet Thursday, June 1, 1916, at 10.30 o'clock a. m.)

**COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Monday, June 5, 1916.**

The committee this day met, Hon. Edward Keating presiding.

STATEMENT OF DR. FREDERIC C. HOWE, COMMISSIONER OF IMMIGRATION, PORT OF NEW YORK.

Mr. Howe. I am here to speak for the Crosser bill, whose purpose is to promote small agricultural holdings by the advance of public funds to persons desiring to become farmers; the fund to be repaid in periodic installments and to be used for further development work

as a rotary fund. I understand that this bill provides for the retention of the title of the land by the Government and for the annual collection of ground rents for its use, from which all local, State, and other taxes shall be paid.

I believe strongly in the purposes and principle of this bill. I believe in it as a means of encouraging agriculture and of solving the surplus-labor problem as well. It looks to governmental aid in the promotion of agriculture and opens up opportunities for men who desire to become farmers and have not the capital to do so.

This is a subject that has been brought to my attention very frequently during the last few years, as Commissioner of Immigration at the port of New York.

A large number of men owning large tracts of land have come to me with plans for making settlements, and in connection with that I have investigated the working activities of the Hebrew societies for the placing of people on the land, and I have to some extent studied the system in vogue in European countries.

I have come to the conclusion that agriculture is to be an increasingly diminishing pursuit in the United States unless the Government gives it something of the same sort of intensive thought and assistance that is given to other lines of industry. Society has changed so much that men prefer to live in the cities rather than in the country. In addition to that, industrial conditions, control of credit, transportation, and marketing by a few agencies has made it very difficult for the farmer to make a living. Modern society has really run away from the farmer and left him one of the most helpless—possibly the most helpless—individuals, with the exception of laborers, under modern industrial conditions.

In discussing the general project I have become convinced that several things are necessary in the working out of a real agricultural program in the United States. The first is cheap land. As it is now, land is held at speculative prices all over the United States. The Hebrew societies find that as soon as they locate a few people on privately owned land immediately all the land in that community begins to rise; it reaches such a prohibitive price that they have to move to some place else. The average farmer assumes that the highest price paid for any land in the colony is the price that should be charged for all land in that community. Therefore, one of the first problems to be solved in an agricultural program is the cheapening of the land in some way so as to make it available on easy terms.

Second. Credit is so costly for the farmer that it is almost impossible for him to overcome that difficulty. I found agricultural districts even in northern New York where they were paying 18 per cent for money, and in the West it ranges between 10 and 15 per cent. In other words, a man has to pay one-tenth of what he produces through a whole year's labor just to convert his produce from one form into another form merely for the right to place that which he has produced in the markets.

A third obstacle is the high cost of transportation; the difficulty of reaching the markets.

A fourth obstacle is inadequate market facilities. There is no co-operation; each farmer acts for himself and his losses are colossal.

Fifth, there is a psychological fact of very great importance, that a farmer lives in an isolated place, in a lonely place; there is nothing

there to make it attractive. A farmer does his work during six months of the year and the other six are idle months, during which time he has nothing to occupy his mind. School facilities are inadequate; recreation is inadequate, and the children want to go to the cities.

Sixth, is the high labor cost, and that is a factor in the agricultural question that is going to be increasingly important. Men go to the cities where they can get \$2, \$2.50, and \$3 a day, as unskilled laborers, 12 months in the year, rather than to go on a farm where they get \$20 a month and keep, and at the end of the season they are scrapped, turned adrift.

Those are some of the things which crowd men into the cities and keep them off the farms. Finally, tenancy is an impossible condition; successful agricultural communities are not found where tenancy has become the prevailing type of agriculture, because under such a system the landlord appropriates, in an increasing degree, the products of the farm. In Ireland they call it rack rent. That drove 4,000,000 people out of Ireland to the United States, and England found it necessary to organize agriculture in Ireland in order to prevent the depopulation of the country.

It is an interesting fact that immigration to the United States comes almost exclusively from those countries that have land monopoly rather than from those lands where they have peasant proprietorship. Wherever people have a stake in the land they stay on it; wherever they have a stake in the land and own their own land they work intensively on it. Wherever we have tenancy, on the other hand, as we have in the United States, we find careless cultivation, exhausting cultivation, and rents increasing just as rapidly as the output of the farm increases. It prevents the farmer from being a good farmer; prevents him from making any improvement and from putting manure on the land and making the farm as good as it could be made.

These are some of the obstacles which are militating against agriculture in the United States. I think it is going to be a decreasing industry, an industry that will drift into larger and larger units unless governmental aid is given to it of the most careful, scientific, and thoroughgoing sort. I am not sure but what it is one of the biggest problems for consideration in this country, namely, the working out of a thorough-going agricultural program that will put a man on the soil, that will finance him, that will market his produce, that will secure to him cheap and easy transportation agencies and that will do those things in a cooperative way. All of those things must be done in order that the farmer may have education, leisure, and all that civilization means to men in the twentieth century.

I particularly want to talk to you about what Denmark has done, what Germany has done, and what France has done.

First, as to France. The foundations in France are peasant proprietorship. The French Revolution cleaned up the old feudal system and divided the land into a great many holdings. Ten million people in France own a farm, it is said, or about one-half the population is directly identified with the soil through ownership. These farms are some of them small and some of them medium sized, but almost all of the land in France was split up into small holdings through the French Revolution. That was what the French Revolu-

tion taught to France. Other countries merely changed the constitutional form of government but the French people were wise enough and courageous enough to see that the reason they were in servitude, the reason for feudalism, and the reason why they were ruled by the aristocracy and grand seigniors was because the grand seigniors owned the land and, owning the land, they made them servants. The French were not content with abolishing their kings and getting rid of the control of the church, but they got rid of the foundations on which the whole political structure was reared, and entered upon a system of peasant proprietorship. And that made France, and it made France a democracy. As soon as that was done the French armies cleaned out Europe because the people were fighting for their own land. This made France, in substance, a democracy for 125 years. The real underlying fact about French politics is that all the time, in season or out, no matter what minister is in power, the men who own land in France are the ruling class. And the Government never gets away from that; it legislates all the time for the peasants. That is why privilege is not strong in France. That is why the agencies that are dominant in Germany, in England, in Austria-Hungary, and Russia, where they have the feudal land system, have never been able to rear their heads in France. That fact is the real explanation of the prosperity of France. They cultivate the soil intensively; they study agriculture; they cooperate together; they have great co-operative agencies there; they use their banks to aid the French farmers, and that accounts for the great success and great wealth of France. There is twice as much gold per capita in France as there is in England, because the farmers produce more themselves; they are thrifty and they get all they produce; they do not turn it over to the landlords.

An even more distinguished example of the necessity for the kind of legislation outlined in this bill and what can be done through such legislation is the little country of Denmark, to me one of the most interesting countries in the world. It is ruled by a king and by a parliament, but the king and the old feudal owners have only nominal power. It is the one country in the world that is governed by the peasants, whereas the peasants in other European countries, outside of France, Switzerland, and the Scandinavian countries, are beasts of burden, agricultural laborers, low in intelligence, and low in skill. The peasants of Denmark are the ruling class; they control the politics of the State, and they frame laws in their own interests. It is a peasant commonwealth, the most intelligent State in Europe. It has no illiteracy, education is universal, and, most important of all to me, they have abolished misery and pretty nearly abolished poverty. They have done this not by charity but by law. They have enacted laws which have made it easy for men to get land and hold land, and then market their produce after they produce it.

Fifty years ago Denmark lost Schleswig-Holstein to Germany. They were the richest parts of the country. The lands of Denmark prior to that time had been owned in great estates, and the people were downcast. Then they began to devise means for reclaiming Denmark and for making the country mean something to the people there. They were poor and illiterate, and the ruling classes at that time were the feudal aristocracy and the king. At that time they had a very reactionary king. Now here are some of the things that

have been done through peasant proprietorship: In the first place, 89 per cent of the farmers in Denmark are home-owning farmers, while only 11 per cent are tenants. In the United States the percentage of tenants on the farms, I believe, is 45 per cent, and each decade shows a marked increase in tenancy. Home ownership has given the Danish peasant, first, an interest in agriculture, and it has then given him an interest in politics and in all that politics means to him. It is through the home-owning peasants that the wealth of that country has increased by leaps and bounds in the last 35 years. Denmark is not a country of big estates, and it is the only country I know of in which the drift to the cities has been checked and where the people stay on the land gladly. Children succeed their parents in the management of the farms, because farming gives back to the producer everything that he produces.

The Industrial Commission made some investigations of tenancy in Texas, Iowa, and some other States, and the stories which the tenants told about their condition were like the stories told by the sweatshop operatives of New York. It appears that the rents were increased as fast as they made the land productive, and many of them said that they were not able to produce enough by their labor and the labor of their families to feed themselves and clothe and send their children to school. Where tenancy supersedes home ownership, there we immediately get in a modified form the conditions that prevailed in Ireland, and there is no country in the world, except Belgium, where tenancy prevails that you do not have all of the evil conditions of the tenancy system which were exemplified in the highest form in Ireland, which led to famine and the depopulation of that country and which required drastic remedial legislation to reestablish agriculture there. They saw that in Denmark and immediately formulated plans to break the old feudal estates up into small holdings, and, as I said, to-day 89 per cent of the farmers there own their farms. Many of them are very small; they may be 1 acre in extent, 2 acres, or 4 acres, but the average farm contains less than 15 acres.

Now, having gotten the land into their own possession, the other things flowed from it naturally. Democracy came just as it did in France—that is, a real democracy, a democracy in legislation, a democracy in education, and, more than that, a democracy in the relationship of the people to one another. I have never been in a country in which the fear of to-morrow, the fear of being out of a job, and the fear of being foreclosed were absent, except in Denmark. All of those fears that beset the people in other countries have been banished from that country. There is no great wealth there, no monopolies, and there are no colossal fortunes, but there is a widespread, universal prosperity that has banished fear and substituted in its place dignity and confidence; and everyone shares in the finest kind of educational, social, and cultural life that I have ever seen anywhere. All of that, to my mind, is again deducible back to the system of land ownership. The fact that the people own land and feel that their sons and daughters can get a piece of land if they want it has had this effect.

In 1906 the peasants said, "This has worked well for us, so, now, we will open it up to others." So they passed a law making an appropriation of \$10,000,000, I think; they created a commission and authorized that commission to lend to anyone who wanted to borrow

it and who was approved as to character, to cover nine-tenths of the cost of a farm and its improvements. They limited the amount of money that could be loaned to a man, and provided that he must furnish one-tenth of the cost as an assurance that he was serious in his purpose. Then the commission acquired large estates and divided them up into small holdings and sold them off to the workingmen or the younger sons of farmers who wanted to buy them. They were really grubstaked by the nation. They paid for the improvements and enabled them to start off with a ready-made farm. That law has been taken advantage of very widely, and millions of dollars have been advanced by the State, and thousands of men have been put back on the farms.

Now, that, again, has had a very remarkable effect industrially and psychologically. I went through the streets of Copenhagen with a young man from the university, and I asked him to take me to the tenement district or the worst district in the town. We walked around for several hours through parts of Copenhagen's tenement district, and the streets were filled with people. They were happy, laughing, well dressed, and well fed; and finally I said to him, "This is not the tenement district; this is no more than an apartment-house district; these people are not poor, they are not like Whitechapel people in London, or like the poor people in Liverpool; they are not like the people I have seen in Paris and Berlin." He said, "These are the poor people in Copenhagen."

I talked with the laboring men, and the laboring men control Copenhagen. They have their own educational system, and Copenhagen is one of the best governed and one of the most beautiful and intelligent cities in Europe. I did not know what was the explanation of this general well-being of the poorer classes, but the explanation given me at the university was this: I was told that the industrial workers and laborers were not afraid in Denmark, because they always have an alternative. If they do not like their boss, if they are getting low wages, or if their conditions are bad in any way, they feel that they can go out to the farms, and either work for some one else or get little farms of their own. In other words, there are automatic means of taking care of the labor surplus. Whenever wages fall the men drift back to the farms, or get little farms of their own, and their wages there, of course, depend upon the amount of wealth that they can produce. That, to my mind, explains the psychology of Denmark; it explains the absence of fear. Nobody is frightened there, and this has also resulted in increasing wages. The reason for that is quite obvious. It has changed the relationship between employer and employee. There are in effect 10 jobs for every 9 men, because the land has been opened up to them.

Now, growing out of the fact that the peasants own the land and that more than half of the people are farmers, they found it necessary to legislate for themselves. Therefore, they went forward and took possession of the government as against the old feudal aristocracy and the King. They elected their own men to Parliament. Then, those men who owned little pieces of land, in view of the fact that they were a majority of the people and that they all wanted the same thing, did not give any privileges away. They did not give any privileges away because they could not; they had to legislate for the majority, and in legislating for the majority they raised the standard

of living of everybody. They took over the railroads and ran them in the interest of the farmers. Some years ago the farmers said that the railroads were earning too much profit. They were earning only about 4 per cent, but they did not believe that the railroads should be operated so as to make a profit for the State. They wanted the profits cut down to the point of paying operating expenses, and they wanted the freight rates adjusted to meet the conditions under which the farmers shipped their products.

Denmark was the most unfertile region of Northern Europe. Yet, it feeds England in large part; it feeds her with bacon, eggs, and dairy products. Some of the highest class cattle in the world are in Denmark, and they ship dairy products all over the world. The farmers, then, took possession of the railroads and ran them in their own interests. Then they said, "We need the help that comes from education," and they passed a law to educate the farmers. In every one of the villages, certainly every month and probably every week, there is a man or woman who comes around and meets a class of women and a class of men. They teach the men all about farming, about how to run their dairies, about how to milk their cows, about how to feed their cows, about how to slaughter cattle, and how to use the manure, etc. They teach the women all about dairying, too, and instruct them in domestic science. They have traveling universities going all over the country all the time, all of it springing out of the fact that the farmers are the legislators and are thinking about themselves. Science has increased the price of Danish products. For instance, they standardize cows. They have found that one kind of cow produces more butter fat than any other kind, and they have found that a certain kind of hog was the best kind, and so on. The result is that per capita and per acre production of Denmark has been going up constantly ever since the farmers began to run the state in their own interest.

The University of Copenhagen sends out lecturers. There are more newspapers sold per capita in Denmark than in any other country in the world, and they say that a Danish peasant will go without breakfast rather than go without his paper. They will walk 10 miles if necessary to attend a political meeting. Certainly every Danish peasant that I met was full of politics and as full of talk about the State as you find with people here at Washington.

Now, through home ownership and control of politics, the farmer developed cooperation. In a State with a population of, I think, less than 3,000,000, there are 200,000 farmers who are members of cooperative societies. Pretty nearly all of the butter and milk are the products of cooperative dairies, and the slaughtering is done in cooperative slaughterhouses. Eggs are packed up on the farms every day, and the man who is back on the farm producing eggs has a man come every week to get the eggs. The eggs are shipped to Copenhagen where they are credited to the farmer back on the farm who produced them. The time or date of laying is stamped upon the eggs, and the eggs are classified and graded and shipped over to England. Danish eggs bring fancy prices because they are always fresh. If you pick up a Danish egg in England you will find that it is dated. If the egg is dated March 22 it means that the egg was laid on March 22. If the buyer of eggs in England com-

plains to the central office at Copenhagen that eggs from a certain circle bearing a certain date was bad the central office at Copenhagen charges those eggs up to the producer. The same thing is done in the case of butter and all other commodities that are sold through cooperative agencies. It is a cooperative community. They have cooperative hail insurance, farm insurance, cattle insurance, etc. They have their own cooperative banks and put their money in their own banks. They run railroads and own steamship lines running to Japan and New Orleans which bring in the feed for their cows. They have bacon-selling agencies which take the bacon from the producers and sell it, and all of the profits come back to the men who produced it. They have breeding associations which send experts out from Copenhagen to study everything and inform the farmers as to what kinds of things they should raise. They have high schools, the most wonderful high schools I have ever been in. Men save half their lives in order to be able to go to the high schools. Men of 40 or 50 years of age enter those schools for the joy of going to the peasants' high schools. They sing; have patriotic exercises; and they teach cooperation and agricultural chemistry; they teach how to run a farm; they have made business men out of the farmers. You feel, as soon as you get with a farmer, that you have found someone who understands his business fully. I would rather listen to a Danish farmer talk about his business than to listen to most people talk about books, just as I like to talk to a real baseball fan who knows his game and knows his players. The Danish farmer is to agriculture what a baseball fan is to baseball.

That little State has been reclaimed from a sand dune, from a monarchy and a country which was ruled in the interest of the great landowners, to a democratic Commonwealth, through a system of land purchase and cheap credit. They get 4 per cent money there and are allowed 50 years in which to pay it. Men are given land on terms which they can meet, and what a farmer produces is his. In addition to that they live in villages rather than on isolated farms, and in that way they have community life. There they have kept the people on the farms; they have increased the productivity of the soil; they have made the farmers rich; they have made them intelligent; and have reclaimed agriculture and placed it in harmony with modern industrial life.

Within the last 20 years Germany has realized that she must substitute peasant proprietorship for landlordism. Germany is divided into three parts—there is western Germany, southern Germany, and eastern Germany. Southern Germany includes Bavaria, Wurtemburg, and the country along the Rhine. That section of Germany was influenced by the French Revolution, and they split all of that country into peasant proprietorship. Southern Germany is democratic, because the people own the land. Prussia, on the other hand, is feudal and aristocratic, and there is where the junkers live, because they still have the land divided into great estates. But Germany has realized that, and within the last few years has worked out a plan for splitting up estates and putting them in the hands of the people. The statistical yearbook of Germany states that within the last 25 years 300,000 new farms have been made, 300,000 people have been put on the land. In my opinion that is a mistake, because they

changed their system of statistics about 20 years ago with the desire of showing that the land of Germany was not really owned by the junkers. But I do know that thousands of people have been put on the land by political action. They took great stretches of land in the north of Prussia, which was waste land, and reclaimed them and put tens of thousands of people on those waste lands.

They have done very much to encourage agriculture through scientific methods. Germany's agricultural system is largely modified by the fact that Germany owns great stretches of agricultural lands which came down from feudal times. Frankfort, for example, owns half as much land as the city is built on; the city of Berlin owns three times as much land as it is built on; they own great stretches of land roundabout. This land is allotted to people inside the city who cultivate it, and in the smaller towns it frequently rotates. There are a number of cities in Germany which own so much land that they pay no taxes. There are a number of them that not only pay all their taxes out of the land, but they give a New Year's present every year to every citizen. There are a number of south German cities in which there is no poverty whatever. The Germans will all admit that it is traceable to the system of land tenure which prevails and to the fact that the community has placed people on the land, watched them, helped them, aided them, and performed those things for the farmer that we perform in this country for business.

In Switzerland similar conditions prevail. There the land is divided up into small holdings. The democracy of Switzerland and the prosperity of the people is traceable to the fact that the people in Switzerland own little bits of land. Australia and New Zealand have worked out agricultural policies. In Canada they have developed what they call ready-made farms, which are farms ready for occupancy, with houses on them, and so on.

All over the world nations are turning to agriculture in the belief that it is necessary to completely change our old method of procedure, a procedure under which it is found impossible to get a farm because land values are so high, because credit is oppressive, transportation is not adjusted to them, and because there is no recreation and pleasure in life on the farm.

As I understand it, this bill looks to the solution of all those questions. It provides for agriculture as a unified thing; it provides for putting the worker on the land by cheap credit; it provides for a rotating fund; it provides for relieving the farmer of fear of foreclosure and the utilization of the various agencies of the Government for educational purposes. It looks to the farming village rather than to agricultural disbursement. I think that a measure like this is necessary in order to improve agriculture in the United States. As it is, we are drifting into tenancy and land monopoly and careless cultivation. We have got to get the people back to the land on fair terms, and once there we have got to provide them with those agencies which make life livable, bearable, and attractive. In other words, we must treat agriculture with as much intelligence as we treat the science of city government and town planning.

Mr. CROSSEY. During my absence I wonder whether you have discussed what, in your opinion, is the best method of preventing speculation in land matters. That is one of the features in this bill.

Mr. HOWE. Yes; it is.

Mr. KEATING. This bill, as I understand it, retains the title in the Government?

Mr. HOWE. I think the world is all turning to the taxation of land values, not only as a just and proper system of taxation, but as a means of preventing speculation and compelling people who own land to use it. Of course, there is land enough in the United States to feed and furnish homes not only for a hundred million people but a thousand million people. If we taxed the land so that it was only held for use and so that men could not speculate in it we would have accessible land and cheap land. We would prevent speculation because it would be too costly to hold land under those circumstances. As I see it, the world is turning to the taxation of land values, and I was greatly interested to find in North Dakota last March that the farmers there have organized a nonpartisan alliance which is advocating the untaxing of all farm improvements and taxing land values alone, because they find they are being discriminated against by the laws of assessment. They have done that throughout western Canada and they have found the result to be very beneficial.

I think that the Government ought to hold on to every foot of land it has. The Prussian ministry of the interior has sent out repeated bulletins all over Germany and made that the policy of Germany, that they are not to sell a foot of land but are to buy land. They are buying land all the time in great quantities; cities have increased their land holdings sometimes a thousand fold and pretty nearly all of the cities own great stretches of land. They rarely sell it; when they do sell it they sell it for the purpose of speculation and buying a great lot of other land. They may sell suburban land at \$1,000 an acre and then take that money and invest it in other land at \$100 an acre. But they rarely decrease their holdings.

Mr. SUMNERS. Speaking of what has been done in Denmark, I have wondered whether what has been done is the result of general appreciation on the part of the people of the nation that the condition of the farming class needed improvement, or whether the agricultural people were of such strength that they brought about this change. Do I make myself clear? I want to know whether it is the Nation that has done this or whether it was the agricultural people who brought about this condition.

Mr. HOWE. I think both of those things are true. The Danes are Teutons just like the Germans, and the Germans have been drifting to the cities; 68 per cent of the people in Germany live in cities now, but there they have not brought about the same conditions. I do not think the great agricultural movement in Denmark is traceable to the people so much as it is traceable to the fact that their whole economic interests is in the land that they own.

Mr. SUMNERS. Did the statesman of Denmark take up the matter and bring about this conditions or were the agricultural people of such strength, even though they lived under adverse conditions, as to force this reformation themselves?

Mr. HOWE. It was a slow process, although not relatively so, because this all took place in 50 years. But they began—

Mr. SUMNERS (interposing). Who did that?

Mr. HOWE. Bishop Gundweg started it, and then they got together in the schools and talked things over.

Mr. SUMNERS. Who led in this?

Mr. HOWE. This bishop started it.

Mr. SUMNERS. I was trying to find out whether the people themselves were able to bring about this reformation or whether they had to have real statesmen who started it and brought it about.

Mr. HOWE. Both. The men really in power did not do it at first, but they were crowded out by peasants coming into office.

Mr. SUMNERS. In the case of these large estates in Europe, are they reduced to small holdings through any graduated system of taxation that makes it unprofitable to hold big estates, or do the people who buy them go into the market and pay the ordinary current value of the lands?

Mr. HOWE. There were some dark sides to it. As soon as they passed this law in Denmark appropriating State funds for the purchase of land the landlords in Denmark immediately raised the price of their land, just as the people raised the price of land. One thing that has militated all the time against the success of the experiment in Denmark and against the farmers is that everything the State does for farming increases the value of land, and when the State turns around and wants to buy land it has to pay too much for it.

Mr. SUMNERS. Have any of the Governments of Europe favored the holdings of the small home owner or home occupier as against the owners of large estates?

Mr. HOWE. I do not know whether I understand that.

Mr. SUMNERS. Well, here is a country where one man owns 10,000 acres of land, and there are many men who own, say, 15 acres apiece. Is there any advantage given to the small owners in the way of taxation for the purpose of encouraging small ownership?

Mr. HOWE. That is another thing that goes to the heart of the thing in Denmark. The small owners in Denmark are fighting to readjust taxation, which now does discriminate against the small owners. The personal income tax militates against the small owner, and these small owners have organized into a great federation of 100,000 members. They say, "We want a tax wholly upon land; we want to take the taxes off the improvements and have these taxes levied wholly upon the land, because," they say, "we have to pay more than our share per acre, for the reason that we produce more per acre." They say, "We want to tax the big owner as much as the little owner, irrespective of how much he makes off the land."

Mr. SUMNERS. Do any countries impose a tax upon absentee landlordism?

Mr. HOWE. I do not know.

Mr. SUMNERS. Have you thought about it?

Mr. HOWE. I never heard of it.

Mr. SUMNERS. Have you thought about the wisdom of it?

Mr. HOWE. Personally, I think it would be a good thing to do. I think when a man owns land and lives somewhere else he should be taxed for it.

Mr. SUMNERS. Of course, in this country you would be dealing with a vast territory and a mixture of races. You would be dealing with a situation where there would not be much community spirit. Do you think the Federal Government could deal with it as effectively as the States?

Mr. HOWE. Where the General Government owns the land, it could.

Mr. SUMNERS. I am not talking about the land that the Federal Government happens to own now; but I do not hesitate to say to you that, in so far as this scheme is concerned, except in those sections of the country which might be brought into cultivation through irrigation, I do not believe that any general aid could come from the adoption of this bill. Of course it might blaze the way. Take, for instance, the State of Texas; the Federal Government owns no land there; the schools own some land, but none of the lands owned by the schools would be suitable for community settlement.

Mr. HOWE. I think a demonstration of this kind by the Federal Government would be of value. I think the Federal Government is in a position to make a demonstration of this; and if it should make a demonstration of it, by the use of the postal funds or immigration funds, throughout the country, and learn through experience with this demonstration just what we could do, this demonstration would be immediately copied by the States, because they would see the value of it. The States want people, and the way to get people is to make it easy for the people to make a living. If the Federal Government should make this demonstration throughout the country, in the East, South, West, and elsewhere, the States, seeing the advantage of it, would immediately copy it. I think the Federal Government, with its different agencies—the Agricultural Department, the Interior Department, and Department of Labor—all of them covering the country as a whole, is in a good position to carry it out.

I notice that the bill provides that the title to the land shall always remain in the United States, and that in lieu of other taxes there shall be an annual tax collected on the value of the land itself, which is not dissimilar to the method employed by private owners in New York and other cities, except that in this case the Government enjoys all the increasing value, while under the present conditions this New York land is owned by the Astors and others, and the ground rent collected and kept by them.

I think retention of ownership by the Government and the taxation of only the land is one of the most important features of the bill. It would, in my opinion, add a great stimulus to the making of improvements, because the land only would pay the tax, and it would enable the community to not only control its development but to enjoy the increasing value which would come from the community's growth.

(Thereupon, at 12.20 o'clock p. m., the committee adjourned.)

COMMITTEE ON LABOR,
HOUSE OF REPRESENTATIVES,
Thursday, June 15, 1916.

The committee this day met, Hon. David J. Lewis (chairman) presiding.

The CHAIRMAN. Before Mr. Post is formally introduced to the committee the Chair wishes to read a statement from Daniel Webster, which the Chair feels is ominously applicable to all these subjects:

For my part, although I like the investigation of particular questions, I give up what is called "the science of political economy." There is no such science. There are no rules on these subjects so fixed and invariable that their aggre-

gate constitutes a science. I have recently run over 20 volumes, from Adam Smith to Prof. Dew, and from the whole, if I were to pick out with one hand all the mere truisms and with the other all the doubtful propositions little would be left.

I do not know whether the quotation is familiar to the Assistant Secretary of Labor or not.

Mr. Post. I am not familiar with that quotation, but I am familiar with the idea. I am very much in sympathy with what Mr. Webster alludes to in that quotation, but I am rather inclined to think that we might lay down one principle that is invariable and from which we might draw all politico-economic conclusions that are necessary and that is this: If human work should stop, human society would disappear. Starting from that hypothesis, which I do not think anybody can say is untrue, we can evolve a pretty complete science of political economy. The trouble is that the gentlemen to whom Mr. Webster refers never did that.

The CHAIRMAN. Would not that be what Mr. Webster had in mind as one of the mere truisms?

Mr. Post. Well, a truism is scientific. Science has got to be built on truisms, truisms in the true sense. Of course I do not mean mystical truisms, but truths of human experience and observation.

The CHAIRMAN. You may proceed, Mr. Post.

**STATEMENT OF MR. LOUIS F. POST, ASSISTANT SECRETARY
DEPARTMENT OF LABOR.**

Mr. Post. Mr. Chairman, I was asked by Congressman Crosser to examine this bill in order to testify with regard to it, and I have done so. I do not know what your procedure is, but if there are any suggestions to be made as to how I shall proceed I shall be glad to have them.

The CHAIRMAN. Just proceed in your own way, sir.

Mr. Post. The bill, as I find it, is in the special interest of wage earners. That accounts, I should say, for the administrative emphasis that is placed upon the Secretary of Labor and the Department of Labor, and properly so, as it seems to me. It is in the general interest, too, but it is especially in the interest of the wage earners of the United States, and that is what makes it particularly appropriate that this committee should consider it and makes it particularly appropriate that the Secretary of Labor should be the directing force in the execution of the law, if it becomes a law.

Of course, I am aware of the prejudice against class legislation, as it is called whenever anything in the interest of wage earners comes before a legislative body. It is business legislation and not class legislation when it is opposed to wage earners' interests. I have no hesitancy in speaking of the wage-earning interests. The wage-earning interests, if we merely take the census, cover over one-third of the population of the United States, and if you take into account the families of wage earners you have more than one-half of the population of the United States as distinctly representing wage-earning interests, and no doubt much more could be added to that.

Those interests never had any Executive representation until a little more than three years ago. They began to ask for representation at the President's Cabinet table as long ago as 1865. I am told

by old labor-organization men that in 1865 a convention or conference—the first after the war, one at which soldiers from both sides were in attendance—was held at Louisville, Ky., and at that convention a distinct demand was made for a Department of Labor in the United States, an executive Department of Labor with a Secretary of Cabinet status at its head, so that the labor interests of the United States—the wage-earning interests—might be represented at the Cabinet table of the President and through the President be represented to Congress. Long agitation resulted in the creation of what is now the Bureau of Labor Statistics, a branch of the Department of Labor. It was an independent bureau then, but without a head of Cabinet status. After some 10 years or more of further agitation the double-headed Department of Commerce and Labor was created. That was really a business department and always had a business man at the head of it or a business man's lawyer. It was in the interest of commerce and labor, but very little attention was paid to labor itself.

After some 10 years more of agitation came the creation of that department which had been asked for by the wage-earning convention of fifty-odd years ago, the Department of Labor, the purpose of which is definitely declared. Perhaps I had better quote it literally. In the organic act of the department it is provided that its purpose shall be "to foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions, and to advance their opportunities for profitable employment." I do not know who put in that adjective, but whoever did it must have known exactly what he was about, or else he didn't know at all what he was about. I refer to the phrase "that employment shall be profitable." As you know, there is no lack of employment at any time in the United States. I am willing to be a big employer myself at any moment. I could employ thousands of men. But it would not be profitable to them, although it might be profitable to me. So there was good sense in putting in the word "profitable."

Under that law the Department of Labor was organized. On the 4th of March, 1913, Mr. Taft signed the bill in the last few minutes of his administration, and Mr. Wilson appointed the first Secretary of Labor within a few minutes after taking the oath of office. Among other things, this department was to look after the mediation of labor disputes; and that part of its work, it seems to me, it has carried out with great ability and skill. A very good accomplishment has been made in the adjustment of labor disputes by the Secretary and the conciliators that he has employed. At first the employing interests were disposed to be prejudiced against a labor-union man at the head of the department. They seemed to think that the idea was arbitration when, as matter of fact, it was not arbitration but mediation, which is negotiation. I think that now, however, a good deal of confidence has been established on all sides, so that the settlement of labor disputes is in a fair way to become universal under the Department of Labor. I merely mention that incidentally.

Another feature was that of employment, finding opportunities of employment and providing employment for the wage earners of the United States. The Secretary reported in 1915 quite fully on this subject and stated the progress he had made. I simply refer, without quoting, to his mediation work from page 7 to page 32 of his

report of 1915, and on labor distribution, finding existing opportunities for employment, from page 32 to page 41. Those two points may not seem particularly appropriate to this bill, and I only state them as a background for indicating the propriety of having the Department of Labor undertake what is proposed by this bill in order that the interests of the wage earners may be especially considered in connection with it by this committee, as well as the public interests with respect to the public domain.

I would like to insert, if it has not yet been inserted, that part of the Secretary's report which deals with this particular question, and on the basis of which, I suppose, the Crosser bill was prepared, because the Crosser bill does seem to me to carry all the general purposes indicated by the Secretary of Labor in his report of 1915. I refer to pages 41 to 43, inclusive, under the title of "Making new opportunities for employment." Has that gone into the record? If it has there is no necessity of repeating it, but if it has not I would like to have it inserted verbatim.

Mr. CROSSEY. I think I read a part of it into the record.

Mr. POST. If it is already in the record there is no necessity for having it reinserted. However, I will insert it here, with your permission, for purposes of reference:

Making new opportunities for employment.—It will not be enough to hunt "manless jobs" for "jobless men." Any efficient public employment service of a national character must go beyond that. Unless it does, "manless jobs" giving out while "jobless men" remain, the causes of involuntary unemployment will continue to express themselves to the great prejudice of the wage-workers of the United States and consequently to the harm of all industrial interests. In my opinion, therefore, the labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

For this purpose further legislation will be necessary. But it need not be either voluminous or revolutionary. Nothing more is required than a judicious utilization of Government lands.

Title to some of the old public domain still remains in the Government. By a recent decision of the Supreme Court Congress is soon to have the power, and to be under an obligation, to treat with land-grant railroads regarding the terms on which large areas of that domain heretofore granted away may be restored. There are extensive areas of privately owned but unused farming land in most or all of the States, which might be acquired by the General Government for promoting labor opportunities as advantageously as other areas have been acquired or retained by it for the creation of public parks. If Congress were to adopt, with reference to those lands, a policy of utilizing them for promoting opportunities for employment, the benefits of the labor-distribution work of this department, and of State and municipal public employment offices throughout the United States, would be vastly augmented.

For such a policy the homestead laws seem to afford a legislative basis and their history to furnish valuable suggestions. Those laws relieved the industrial congestions of their day by opening the West to workers of pioneering spirit who set up individual homes and created independent farms in waste places. But the day of the individual pioneer is over. From the Atlantic he has moved westward until the Pacific throws him back again into crowded spaces, and new forms of industrial congestion have consequently developed. To the relief of these, the old form of homesteading is not adapted; but the homesteading principle persists. The problem is how to adapt that principle to changed circumstances.

One necessary condition is that the General Government shall retain title to the public lands it already holds. Another condition is that from time to time it shall reacquire title to such lands formerly owned by it but now privately owned, as are held out of use and may be reacquired upon reasonable terms. Still another condition is that the Government from time to time

shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment. All this need not be done at once. A satisfactory beginning may be made with public lands already available for the purpose in question. But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities. Regulation of private tenures created pursuant to this purpose should fit the circumstances of particular cases. It is therefore suggested that private titles to lands set aside for the indicated purpose be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values. This precaution is of extreme importance. Wherever inflation of land values might enter in, the proposed method of promoting labor distribution would be obstructed.

There is still another essential condition. Equipment for farming and education in farming, as well as a place for farming, are needed. All three, however, could be met by an appropriate unification of some of the activities of the Departments of the Interior, of Agriculture, and of Labor. Pursuant to such unification, Congress might provide a "rotary fund" for lending purposes; that is, a fund to be used over and over again for those purposes, and to be maintained by repayments of loans. Out of this fund Congress could authorize the departments named above to make loans, through the Department of Labor, to settlers placed by this department upon lands set aside for that purpose in accordance with the authorized plan for thus augmenting labor opportunities. Those loans could be safeguarded, without commercial collateral, by resting them upon the best possible basis of industrial credit—ability, opportunity, and character—and by establishing in connection with them a system of community credits adapted to the circumstances.

By their educational processes the Departments of the Interior and of Agriculture could make efficient farmers of inexperienced but otherwise competent workers seeking that vocation. By its marketing plans the Department of Agriculture could guard borrowers from the "rotary fund" against commercial misfortune in disposing of their crops. By its labor-distribution functions the Department of Labor could bring the right men to the right places on the soil and settle them there under favorable circumstances. And by their several appropriate functions these three departments, cooperating under appropriate legislation, could multiply demands for labor in rural regions and minimize labor congestion at industrial centers.

It is a reasonable prediction that such a policy would develop in country and city an economically independent and socially progressive population. The results would be analogous in our time to those of the homestead laws at an earlier period.

The Secretary of Labor very early came to the conclusion, if indeed he did not have it in mind before he undertook the work, that merely finding existing opportunities of employment was not going to progress very far in the adjustment of labor problems; that it would help this or that particular individual—which, of course, he was glad to do—but that it would not get very far, and so he makes certain suggestions that will require legislative action before he can do anything at all. He says, for instance—

The labor-distribution work of this department should extend to some such development of the natural resources of this country as will tend to make opportunities for workers greater than demands for work and to keep them so.

That is the policy that ought to be adopted, it seems to me, and it can only be adopted by congressional assistance.

Then he elaborates that point further along in his report, where he suggests that the homestead laws afford a legislative basis in their history, but only suggestively, because the homestead laws do not affect the real underlying purposes which have resulted from the use of the public lands of the United States—that is, to afford opportunities to the people of the United States to make their living by their own work instead of making it by the work of somebody else. So the suggestion is that it is the homestead principle

rather than the homestead laws. The homestead laws have been effective for the purposes existing at the time they were adopted, and they were good laws, but we have now reached a social condition where they operate the very reverse of what their authors really intended.

The Secretary goes on to give certain necessary conditions to carry out this proposition of the workingman making his own job, so that jobs will all the time be in excess of the supply of workers. He says:

One necessary condition is that the General Government shall retain title to the public lands it already holds.

I would like to say a word right there. Any legislation whatever that allows the public lands to get away from public control of some kind and to get into the hands of private owners will not only fail to help solve the employment problem but it will be an obstacle in the way of its solution. One of the difficulties about our present methods of disposing of public lands is that they get into private hands and, instead of serving the purposes of industry and affording opportunities for industry, they serve the purposes of exploitation and speculation.

I want to explain to you, just by way of illustration, how it works out. I have here the circular of a business concern engaged in farm colonizing; that is to say, engaged in doing for business reasons and on a business basis what I take it this bill aims to have done by the Government of the United States in cooperation with the States where that is possible. It seems to me this is a perfectly honest statement. It is an honest and fair recognition of conditions, and is an appeal to that selfishness which must be appealed to if the present method of placing people upon the land is continued instead of some such method as the Secretary suggests and for which this bill seems to be drawn. I am going to quote a line or two from this farm-colony prospectus of the Eagle River country, Wisconsin. It is an appeal to men to buy land, to wage earners to buy land in order to get an opportunity to make a living. The first paragraph states:

Here are three Sanborn easy ways of buying a piece of land while times are good and wages are high.

In another paragraph I find this:

Land values are jumping, too, and you can contract cheaper to-day than you can a year from now.

That may or may not be true; that is looking into the future; and I do not think they can look any further into the middle of next week than anybody else. But the circular goes on to say:

Take 40 acres of land which we list at \$1,000—

They list the mere opportunity at \$1,000, and the suggestion is that the values will jump and that those who buy the land will secure the benefit of the increase. Then they give liberal terms. They say:

We have 40-acre pieces as low as \$200 and as high as \$1,500; but, for example, we will take a \$1,000 forty.

Their plans follow:

Plan No. 1, \$1,000. Pay \$15 down and \$15 a month, without interest; or \$150 down and \$150 a year, without interest.

Observe that this is one of the good, honest, and legitimate business opportunities for men without land to get at it in order to use it. That is one proposition.

Plan No. 2, \$850. Pay down \$850, all cash; or \$200 cash and \$162.50 each year for four years, with interest at 6 per cent per annum on the deferred payments.

That is No. 2. Then another plan is:

Plan No. 3, \$1,250. Pay down \$250 cash and no further payments for three years, but taxes and interest at 6 per cent on deferred payments, and we will build you a small house.

That is contemplated by this bill, only instead of a private enterprise doing it the Government will do it. In addition they say, "We will build you a small house, clear two acres of land"—that is what this bill proposes to do—"give you a cow, 2 pigs, and 12 chickens; then you can commence to pay \$333.33 a year in three equal annual payments."

I call attention to that third plan because it shows there is a business tendency to give the settler a start. That is what this present company is aiming at. There is really nothing novel in the proposal of the Crosser bill to have this kind of colonizing done. But under the private plan I have mentioned here there must be a great deal of money paid, or the future must be mortgaged, in order to give a man the chance to get on the land.

Now, I want to read their comment, because here is the crux of the whole thing. As the Secretary of Labor points out, we must retain title in the Government or else the whole scheme will go by the board, because speculation will set in, values will be inflated, and the more successful the work under a bill of this kind the more certain it will be to fail, in consequence of the inflation of values which will make it more and more difficult to put men upon the land. The private circular comments in this way:

We believe that land values will double in the Eagle River country within the next five years.

Then they explain that—

Government reports show that the average value of farm lands in the United States has increased about \$5 an acre within the last year.

They say further:

Contract now and live on your land later.

And that is what the settler would live on, the increase in the value of the land. This circular says further:

Farm land, beef, pork, potatoes, and flour are increasing as fast as wages. Who gets the money, the man who works for others or the man who works for himself?

The circular does not answer the question; it is not necessary. We know what the answer is. It says further:

Prices are higher for grain and hogs and have made every landowner richer.

It adds:

Land values on the average have trebled in the life of a child 16 years of age.

That is substantially true, I take it. Then they ask a question. It is a question that this committee ought to consider, and I am glad

to be able to quote it from this business circular for the purpose of calling it to your attention. They ask this question, not of you, not of Congress, but of the man they hope to get interested in this enterprise:

What will the child born to-day have to pay for land when he is able to own property, when he is 21 years of age?

That is a pretty important question and it is because of such questions that some legislation of this kind is needed. What will the child of to-day have to pay for a chance to make a farm when he is 21 years of age? If the public land is allowed to slip out from under in the future, as it is slipping now, what will coming generations do for a place upon it?

The CHAIRMAN. Have you any information at hand as to the number of acres in private ownership and the number of acres still in the control of the United States?

Mr. Post. No; but I can get information as to the number of acres in public control. I will be glad to have the Bureau of Labor Statistics furnish definite statistics on any point involved.

Mr. LONDON. I think we have that data.

The CHAIRMAN. In the record?

Mr. LONDON. Yes; Mr. Marsh was asked this same question.

Mr. Post. I can get a special report from the Bureau of Labor Statistics.

The CHAIRMAN. I think it would be well to do that.

Mr. Post. Now, Mr. Chairman, I repeat that I call attention to this circular for the purpose of showing that out in the business world there is recognition of the very facts that we want this committee and Congress to recognize and which this bill asks them to recognize. I also call attention to that for the purpose of emphasizing what the Secretary of Labor says in his report, that it will be detrimental to any project for making jobs keep ahead of men if the Government allows title to public lands, used for that purpose, to go into the market under speculative conditions.

Turning now to the bill itself, I believe that it carries out the plan very well to open opportunities for employment so that the opportunities will constantly keep ahead of the demand for them. I think that would be the result if the general purposes of this bill become a law.

This is not merely an unemployment question. The bill does not mean merely that the unemployed man will be put on the land, which is the usual conception. It would mean that men who wanted to go on the land and who were competent to go there could be helped there. Men would be taken from any place; they would be taken from the stores, from the shops, from the factories, from the eastern farms, thus making places for the unemployed in the various industries that are now overcrowded. That would be one way of increasing jobs relative to the workers. Then the men who got upon the land would be needing transportation help, market help, and store help, and in that way they would increase opportunities for employment all over the country. Each one would contribute something and many of them would contribute a great deal. Then they themselves would want help, either in the way of cooperators, partners, or employees, thus making a new demand for labor, and the tendency would be to keep on.

Do not imagine that I think for one moment that this bill or the Secretary's suggestion would solve the employment question. Not by any means. It does not go deep enough for that. It is superficial. Not in its effect, but in its application, because the limitations of public opinion and of legislative bodies necessitate procedure by superficial methods. I believe that in the matter of mining you proceed superficially, that you lay off top surface first. That is what this bill, as I take it, aims to do, although, perhaps, it touches more than the top surface. It would create a tendency to increase demands for workers.

And it is to be borne in mind that while the bill mentions agriculture, farm reserves, etc., they are not the only ways of using land. There are other ways of using land besides farming. When we say that men should get back to the land it is often understood to mean that men have to go three or four thousand miles to get back to the land. People are inclined to forget that a city lot is land, that a mine is land, that water-power sites are land, and that the whole terrestrial globe is land. They are somewhat like the little girl who took first prize in geography at school, but was surprised to find that her father's front yard was a part of the earth's surface. The idea of putting people upon the land would mean to put them upon the land for any purpose to which the land could be applied.

So under the Secretary's idea and under this bill you would have mining-land opportunities, forest opportunities, a combination of forest and farm opportunities, a combination of mine and farm opportunities, and it might be grazing, too, in combination with the others, and, of course, the combination of residential places, because the bill contemplates colonization, contemplates the planning of social centers in the farming, forest, and mining regions. In all these places we would be creating a better situation from what the present homestead laws create. Under those laws the people go and take the land helter-skelter; they may gamble for it, they may buy it, or they may have somebody try to preempt it for them. But there is no planning, there is no community development, no adjustment of the relations of forest and agriculture and mining and farming to the social centers that ought to go with them. This bill contemplates a change in that respect. Instead of the present unit of individual holdings this bill would create a condition in which the unit would be the community and the individual holdings would be fractional parts of that community.

I think I have laid out the general features of the measure and of the Secretary's recommendation as far as public land is concerned. The Secretary thereupon goes on to say in his report that another condition is that from time to time the Government shall reacquire title to such lands formally owned by it, but now privately owned, as are held out of use and may be reacquired upon reasonable terms. That might be necessary in cases where public lands and private lands are mixed. You find a good many places in the United States, in consequence of our past policy, where the public lands are either surrounded by or mingled with private lands. In such places it might be well to cooperate with the private owners, if they would cooperate on reasonable terms. That is provided for in the bill, it being made conditional that in all such cases the President shall approve and that Congress shall adopt his approval.

The CHAIRMAN. Have there been any experiments of this character in the Australian colonies or in Africa?

Mr. POST. Not of this immediate kind, but in the Australian colonies there is the idea of public ownership, the retaining of title to the lands. I can not give you the references, but I can find them and have them sent to you if you would like. As to its capital—

The CHAIRMAN. I had in mind the scheme of this bill.

Mr. POST. The general principle lying under the bill has been undertaken in New Zealand.

Mr. KEATING. The German Government has made an experiment very much like this in East Prussia. Of course the object there was to keep the Germans on the land at the eastern frontier of Germany.

The CHAIRMAN. If you know of any country in which this scheme has been experimented with, I wish you would place a statement about such experiments in the record.

Mr. POST. I will be glad to have the Bureau of Labor Statistics furnish any information you desire.

Mr. KEATING. You will find information as to the experiment in Prussia fully set out in the report of the commission, which we sent over there.

The CHAIRMAN. We would like to have all of that information in the record.

Mr. POST. I will get a report from the Bureau of Labor Statistics covering all the ground you have in mind and relating to this particular subject. I will finish what I was about to say in relation to the Australian capital. There a commission was provided for and that commission followed the example of the District of Columbia. I guess it is the only imitation of that example, but they avoided some of the quagmires. They provided that this commission should be appointed by the governor general alone, so there was no chance for any skullduggery in selecting a site unless he engaged in it in advance. It was provided that this commission should select a place for the capital and that when a place had been selected the location should be condemnable on the basis of the value of the land at the date of the passage of the bill. So they have got a large area of land on which they are now building their capital city. The site of the city is to be owned by the Government always. They are building it on a plan the prize for which was won by an American, by the way, who is now engaged in building it under contract. The government can take over the land as fast or as slowly as they need it at \$3 an acre. If any of that land should be left 100 years from now and they needed it for the city they could then take it over at \$3 an acre, no matter how great its value.

The CHAIRMAN. What about the subsequent title?

Mr. POST. It is all to remain in the Government and it is to be used by individuals under fair terms.

Mr. CROSSER. I might suggest that Mr. Howe, commissioner of immigration at the port of New York, made reference to some of these experiments. I do not know whether he put them in the record fully, but I know he made reference to them.

Mr. POST. We can get them in absolute form from the bureau and on official responsibility. I will see that that is done.

Mr. KEATING. You will find that Australia has gone into this matter of putting men on the land, but Australia has failed to retain title to the land, although it has furnished pigs, cows, etc., as a part of the land.

The CHAIRMAN. Have there not been cases where countries did retain the title but owing to the weakness of the legislatures the title was surrendered?

Mr. Post. I do not know of anything of that kind. New Zealand adopted the plan of having its public lands settled very much as we do here, but at the end of each generation, about 30 years, the land is resold. The land is held on a ground rental, which is quite nominal at first, and at the end of 30 years the land is put up to the highest ground rental bidder. If the occupant buys it in, of course, nothing more is necessary; he just remains on the land, paying the new ground rent; but if somebody else bids it in the successful bidder has to pay for the improvements at a valuation fixed before the sale. That has been going on now for something like 30 or 40 years in New Zealand, as I understand.

Mr. KEATING. In our Western States there are, perhaps, hundreds of thousands, maybe millions, of acres of land which are leased to actual settlers by the various States, the States, of course, retaining title. The leases are made for periods of 5 or 10 years, at the end of which the amount is reviewed and either increased or decreased. In case the settler wishes to transfer his lease to another settler the new settler reimburses him for the value of the improvements. That system is carried out in practically every public-land State, and in the State of Colorado, I should think, to the extent of at least 2,000,-000 acres.

The CHAIRMAN. If you can secure summaries of those experiments, I wish you would have them inserted in the record.

Mr. Post. I will be glad to have that done. The Secretary's report goes on to say:

Still another condition is that the Government from time to time shall acquire title to such privately owned lands in different States as may be usefully devoted to the purpose of opening opportunities for employment.

That might well apply to the Southern States. I should think there must be some very good opportunities for colonization there, where land could be obtained on reasonable terms, and the thought in the report is that it would be just as defensible to take over private lands for purposes like this as to take them over for park purposes. That is the general idea of that point.

The Secretary further says:

All this need not be done at once. A satisfactory beginning may be made with public lands already available for the purpose in question.

But he adds and keeps emphasizing:

But it is necessary that the Government shall not lightly divest itself of title to any lands it may set aside for labor opportunities.

I have already given the reason for that. He gives it in this way:

It is therefore suggested that private titles to lands set aside for the indicated purpose be so adjusted by the Department of Labor to its work of labor distribution as to prevent inflation of land values.

There is the great point, that whatever is done shall be done in such a way that the success of the Government in the enterprise

shall be protected by some plan which will prevent inflation of land values and thereby prevent reaction against the very thing the Government in trying to do.

Then the Secretary of Labor says:

There is still another essential condition: Equipment for farming and education in farming, as well as a place for farming, are needed.

Of course, that would apply to mining; it would apply to forestry; it would apply to grazing; and to any of these; there should be the education of the men who attempt to engage in them. For that reason it is suggested that there be cooperation between the Department of Labor, the Department of the Interior, and the Department of Agriculture, so that education in farming and in forest culture, etc., may be had, and that opportunities for selling the products may be afforded through these other departments which have powers that the Department of Labor does not have.

Then, the Secretary advises a rotary fund in order to give the settlers a start. I believe this bill suggests \$50,000,000 as a maximum, to be raised by the sale of bonds. But there must be a rotary fund so that the man who goes out to settle upon the land, as suggested by this bill, may have an opportunity to start right, and in order that he may have a house or a shelter for himself and his family. Provision is also made in the bill for clearing a part of the land so that the settler may begin to use it for farming. Provision is also made to employ such men as go upon the lands in clearing the lands, thus giving them an opportunity to make something in addition to the produce they get from the land already cleared for them. In other words, that they should be given a start. It seems to me that this principle in this bill is not very far away from the rural-credits proposition, which proposes to help the farmer. The difference is this, as I take it, that under the rural-credit system there must be collateral; a farmer must have something to give as security for what he borrows. Now, the wage earner has no such security, as a rule, and for such a man some other arrangement must be made.

The Secretary of Labor, in his report, refers to the objection raised to making loans without collateral—that the loans would not be safeguarded. He meets that objection by saying that they could be safeguarded without requiring commercial collateral, by resting them upon the best possible basis of industrial credit, namely, ability, opportunity, and character. The aim would be to get men of character and ability to go out upon these lands as settlers. Having obtained such men, then to train them, through Government agencies, in those things in which they needed training, and thus give them the fullest possible opportunity, the idea being that if you afford opportunity to men of character and ability you have the best kind of collateral for what they borrow. That idea is carried out in the bill before you.

Now, a few minutes as to locations. I can only speak very generally upon that point. There is now before the lower House of Congress a bill to construct a railroad in the San Juan country. I do not know much about it, but I understand it is a mining country with farming possibilities or a farming country with mining possibilities. The idea is to build a railroad as an outlet. That bill does not seem to take into consideration anything more than opening the country,

but the spirit in which the bill appears to be drawn would make it open to use for this purpose. The Government might build a railroad in that country in order to colonize, and thus open the way for mining and agricultural colonies. There must be opportunity there.

Mr. KEATING. What is needed there is irrigation.

Mr. POST. That is also provided for in the Crosser bill. Wherever irrigation is needed it is to be provided. The clearing of the land is provided for—drainage, road building, and whatever is necessary to give real colonists a real start.

Mr. KEATING. I happen to know that country very well, and the agricultural possibilities are tremendous.

Mr. POST. What about mining?

Mr. KEATING. Well, they have mines there. It is called the Golden San Juan in our country. But the agricultural possibilities, as I say, are simply tremendous.

Mr. LONDON. Then why are they not utilized?

Mr. KEATING. In the first place, on account of being remote from a market. They need a railroad, and the proposed railroad would give the country an outlet to the Pacific coast. Then they have not had the money with which to develop or build reservoirs and construct irrigation systems. I consider it perhaps the most fertile section of Colorado if you could put water on the land, and there is a very considerable quantity of water going to waste in that section now. Of course, the amount of land that could be put under cultivation would be limited.

Mr. POST. Do you think that country, or parts of it, would lend themselves to a colonization plan such as the Crosser bill contemplates?

Mr. KEATING. Undoubtedly.

Mr. POST. Then in Alaska I believe there are mining opportunities, and I should think that the Government railroad there would assist very materially in promoting the objects of this bill, and that by colonizing, under such a bill as this, along the line of the Government railroad, the development of the country would be helped to a considerable degree, and all of that would help in making the railroad profitable, help in opening the mines, and help agriculture in other parts of the country.

Now, here is a section of the country to which I desire to call your special attention. I call your attention to it because the Secretary of Labor refers to it in his report as something that might possibly be used for such a purpose as this. As you know, years ago a great gift of land was made by the Government to the California-Oregon Railroad Co. on condition that it should hold the land open to settlement at not to exceed \$2.50 an acre to actual settlers. That was not done and the matter got into the courts. Finally, the Supreme Court of the United States held that Congress had the power to declare a forfeiture.

An attempt was made, as I understand the case, to have the Supreme Court declare that noncompliance with the condition forfeited the title automatically. The Supreme Court decided against that and held that the grantors alone could declare a forfeiture. Now, a bill has passed the Senate and the House declaring that forfeiture. It was signed by the President on the 9th of June. Under that law this land will come back into the public domain and it will

come back on the conditions that control the rest of the public lands that are open to settlement now. It will doubtless be denuded of its timber, no provision being made for the conservation of that resource. No attempt is made to get people out there in numbers and the land will doubtless in a short time fall back into the hands of large owners and we shall have more difficulty in that direction. Here I have a map showing western Washington and western Oregon. The black spots represent the land that the railroad will forfeit under that law.

The CHAIRMAN. That would be a considerable percentage of the whole?

Mr. Post. Yes. The yellow means the actual or potential agricultural land not bearing merchantable timber. All of that is open to agricultural settlement.

The CHAIRMAN. Is the yellow still in public ownership?

Mr. Post. I do not know how that is.

The CHAIRMAN. How many acres are included within those black spots?

Mr. Post. About 100 townships, I think. Now, under the Crosser bill the Secretary of Labor would cooperate with the Secretary of the Interior and the Secretary of Agriculture, the three of them forming a colonization board. If they decided that that region would be a good place at which to start, they would have immediately available the land within the black spots. They might think it inadvisable to let lands in private ownership lie around there, and they would have the power under this bill to propose cooperation or they could buy out the owners at reasonable rates or they could give the owners a chance to join in the enterprise on a reasonable basis of value, so as to make the whole enterprise compact and take in all the land instead of having scattered ownerships. That would not be done, however, except upon the recommendation of the board of three Secretaries, approved by the President and by Congress.

Now, my question is this: Why allow all of that land within those 100 townships or more to go into the public domain under the present system, why allow the land to be denuded of timber, why allow land monopolists to gather it up? Why not take some such action as the Crosser bill proposes? It would enable us at least to control this public land which has returned to us.

The CHAIRMAN. Not with the idea of in any way lessening your ardor in the matter, because I would not wish to do that, but with the idea of getting all possible information, let me ask you this question: Suppose you had around the city of Washington to-day 1,000 well-equipped small farms of, say, 40 acres each, how many people in Washington could you get, first, to go out there and do the arduous work necessary and, second, do the work on terms of success?

Mr. Post. Do you mean because of lack of physical ability?

The CHAIRMAN. I mean knowledge and those virtues which are necessary in a farming life.

Mr. Post. I can not answer that question statistically.

The CHAIRMAN. Do you really think there are any people who would leave the easy work of the city, the sedentary employment, and go out on the farms?

Mr. Post. Well, I do not know about the people here in Washington.

The CHAIRMAN. I think that is the practical difficulty of the whole thing, the other difficulties being provisional. Do you think there is any large percentage of people in the United States not now living on farms willing to do farm work?

Mr. Post. Yes; I think there are. There are two points to that question. One is whether they would be willing, and the other is whether they would be intellectually able. In the first place, the farmer's son, the farmer's family, are going to the city.

The CHAIRMAN. The tendency is the other way; that is, to go to the cities rather than to the farms?

Mr. Post. Yes; the tendency is the other way, and for very good reasons. But the point is, in answer to your question, as to that class of people who are now hunting for better opportunities; that is, those in the country who have a tendency to go to the cities. I believe that when you open farms in this way you would turn back the tide, that the tendency would be to turn back the tide from cities. There are a great many people who do not know how to farm who would like to farm; at least they think they would like to farm. One reason why they do not do it now is because they do not know how, and another reason is because they do not know where to find the farm. I think that if you had well-equipped 40-acre farms around the city of Washington you would find they would be in great demand.

Mr. CROSSEY. The fact is, that in Wisconsin and Minnesota the people are actually hunting a chance to work on those cut-over lands that are there at the present time.

The CHAIRMAN. Wage earners?

Mr. CROSSEY. Yes.

Mr. Post. Now, we can only guess as to the willingness to go, but it seems to me that the reasonable stand for a legislative body to take is to assume that they will go until the experiment is tried and it is demonstrated that they will not go rather than to assume that they will not go and head them off from going. Men in business are attempting to do this colonization work. This is only one type, this Eagle River Co., and they must be making money out of it.

Mr. LONDON. What State is that?

Mr. Post. That is in Wisconsin. They are making money by getting people to go onto the farms without giving them any opportunity for education in farming. They are leading them out there. It is true that they may be getting some of them by suggesting unearned increment which we can not and ought not to hold up to them. But we ought not to deprive people of the chance to make a living on the land as long as there is a disposition to go on the land. This company to which I have referred is charging big prices and they are not giving any education in the work of farming as would be provided under this bill. The Department of Agriculture places all of its facilities at the disposal of the colonization board under this bill for the purpose of educating the colonists in the various branches, forestry, mining, and farming. Do not forget either that this is not merely a farm proposition, a grazing proposition, a forestry proposition, or a mining proposition, but it is all of those added to a community proposition. One of the things that drives men to the city is the loneliness of the farm as well as the fact that the idea prevails that the city offers prizes which anybody can get.

The CHAIRMAN. Whether you are going to have a community depends upon the practicability of the preceding factors—the industrial factors?

Mr. Post. Yes; but would there not be a vast difference between saying to a man, "Here, you, John Jones, or you, John Smith, can go out into the country and get a farm and live there by yourself," and saying, "John Jones and John Smith, we have a place where there will be hundreds of people; we will take you there and start you, after we find you are the right men and that you have character and ability"? Would there not be a great difference in those appeals, and would not those men be apt to go on the farms under the plan provided in this bill when they would not under conditions as they now exist? In further answer to your question, let me call your attention to the provision of the bill relating to that very thing. It is in the third section:

That the colonization board, after the examination of any area or locations as provided for in section two, shall select therefrom such locations as, in the opinion of the board, would be most suitable and practicable as colonization projects; and the said board shall make, or cause to be made, for each such location a detailed plan for developing and colonizing the same. Said plan shall in each case provide for the necessary clearing of land; for the construction, maintenance, and operation of the roads, ditches, and other reclamation works necessary to make the land accessible and cultivable; for developing and supplying timber, coal, power, telephone, and other services to settlers for their domestic use; for organizing facilities, for purchasing, marketing, and other cooperative activities; and for securing any other improvements or services necessary for the efficient organization and development of any community to be colonized on the location.

Now, the expense of that would be provided for on this rotary-fund plan and would be amortized, repayable over a period of about 50 years, with interest at 4 per cent instead of 6 per cent.

The CHAIRMAN. Mr. Secretary, if you had a dozen young couples just married from the farm, those from the parent farm, with this free land supplied by the country, the result would be automatic. I am speaking now of farming especially, because that gives one clear case, and the result would be automatic. The lands would be taken in proportion to their desire and as they would be qualified. You have the survival of the fittest on the farm to-day.

Mr. Post. I am not so sure of that.

The CHAIRMAN. I mean they are the survival of the fittest, and at least fit, in a sense, are drifting away from the farm looking for the easy jobs around the towns and cities. The more fit, those who can look forward and see the prospects for their children, struggle away and stay on the farm. I am afraid that the commanding factor is not the circumstance of proprietorship, very great as that is.

Mr. Post. Would not your philosophy make the historian suppose that the man of half a century ago who stayed and puttered away in the East on a stony sidehill farm was fitter as a farmer than the venturesome man who became a pioneer and went to new fields in the West?

The CHAIRMAN. That is not my meaning. I say that the people who stay on the farm represent the survival of the fittest with reference to farmwork, and those who do not, of course, are unfit by their own action and they divorce themselves from it.

Mr. Post. In that part of the country that I know something about in that respect, the men who stay on the farm are the tenants. The owners go to neighboring villages to live.

The CHAIRMAN. The tenant is the farmer, the other man is not, he is an investor. I have had the subject presented to me practically in another light where the difficulties of proprietorship would be removed and where the circumstances of industry and disposition are present, but where unhappily there is no beginning at the age of four years to climb the apple tree; it never takes place.

Mr. Post. Let us take one of the fit farmers, the tenant, who is struggling away to make a bare living, giving a part of his income to somebody else for the opportunity. The Department of Labor would learn about him. He is a man of good character, a good farmer, of good standing in his community, pays his rent and every other obligation. The Secretary of Labor would say, "Why, stay on this place? The colonization board will place you, along with 50 or 75 or 100 or 500 other people in a better place, and here is the plan." Would it not be better for the tenant and better for the Government to put him into such a colony and leave his place as tenant or farm hand open to some of the people who could do his work in that place, and thereby lift the market value of wages by increasing the need for help?

Mr. KEATING. Is it not a fact that practically every nation in Europe and almost every nation in the world, with the exception of our own, is doing exactly what you propose in this bill, with the exception that after getting the people on the land the Government does not retain title to the land? Is it not a fact that Russia, darkest Russia, is doing exactly what you propose, right up to the point where title passes from the Government to the farmer, the occupant of the land. Australia and England are doing the same thing and so is Ireland and Norway and practically every nation in Europe. The two new features in your bill—

Mr. Post (interposing). Let me correct you, it is not a department bill.

Mr. KEATING. Mr. Crosser's bill. The two new features in the bill are, first, that the Government retains title to the land and thereby secures any increase in the land value that may accrue.

Mr. Post. There is a provision in the bill as to that.

Mr. KEATING. And second, in this country there is a considerable area of public land on which you could start the experiment. In response to the chairman's question, could you get the people to go on the land?

The CHAIRMAN. Not from other farms or agricultural employment, but from the city industries?

Mr. KEATING. Of course, that raises a new phase, but so far as the people themselves being land hungry, there is no question, as stated at a previous hearing. Within the last two years 10,000 men have moved their families onto dry land farms in my Congressional district alone. They pray that God Almighty will give them some rain; if he does not they are ruined. They have taken the chance and have come there from every State in the Union; 10,000 in two years. That is how anxious they are to get the land.

The CHAIRMAN. The stated object of this bill is to increase, as a whole, the possibilities for the wage earners. If I understand it means to increase the number on the land, on their own land, as

compared with the others not working their own land. The object, as I understand, is to get people from the wage-earning industries in the cities to the farm. I think the man or the institution who can accomplish that result would be doing more for the people of the country than any man since Washington or Lincoln.

Mr. POST. We can not start unless Congress gives us an opportunity.

Mr. CROSSER. May I interrupt on that particular phase of the subject? You can not change the whole nature and disposition of a people overnight. I would not expect that as soon as this colonization proposition was authorized by Congress the next day the trains would be crowded with people from all of the large cities of the country going to the proposed colonies, but as they would find out gradually that such an opportunity was afforded and that they would not have to be held up by land speculators and that they might get a reasonable return for their toil, I think the general tendency would be to go away gradually. That would relieve the pressure on other places for employment and hence increase wages. I do not think you can expect the social customs of a people to change suddenly overnight of even in six months, but it would gradually come about.

Mr. POST. It would not only relieve at one end, but increase the demand at the other. That is, it would not only relieve the congested labor market at the one end, but it would increase the demand for labor at the other end.

In explanation of what Congressman Keating said about the Government taking the unearned increment, provision is made in this bill for devoting that to the community itself and to the payment of local, State, and county taxes.

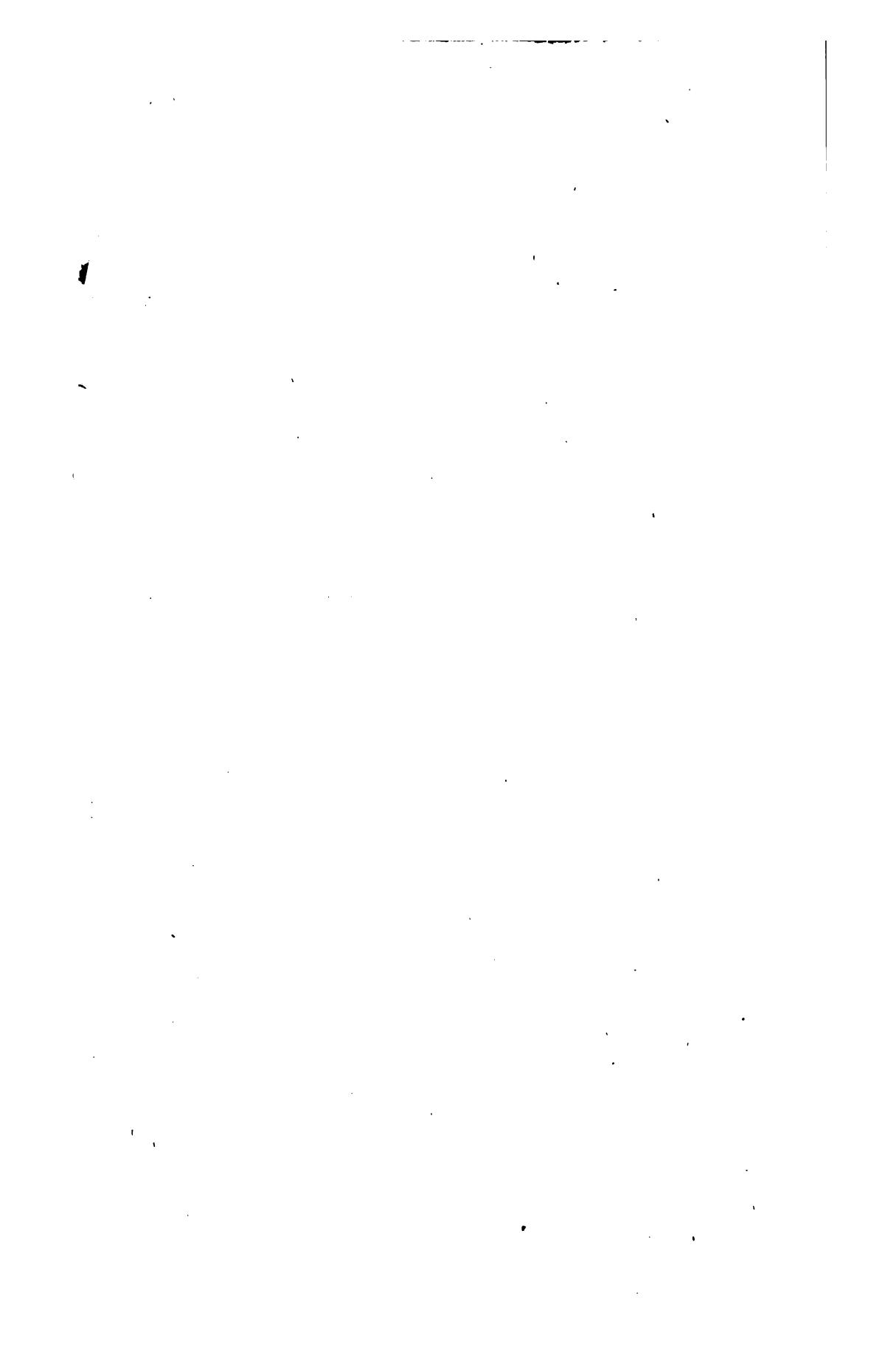
Mr. CROSSER. I do not know whether you could do it, but could the committee obtain through your department from the Reclamation Service a record of where the people come from that are on the land spoken of by Mr. Keating?

Mr. POST. I will add to my statement official reports especially prepared for this committee. I will not send you any printed reports to look over, but will have the Bureau of Labor Statistics gather all the facts both with regard to foreign countries and our own country that are gatherable with reference to the questions asked.

Mr. KEATING. From my own experience I can say that they were tenants living on farms in other States who came there in the hope of becoming landowners, to a certain extent, and in some cases owners who disposed of their lands at a good value and who wanted to take up some new land.

Mr. POST. There is one objection that is made to any effort of this kind. It is that you can not get men on land except under the incentive of the expectation of being able to own the land itself and its social value as that increases. In other words, they are after unearned increment. But the real thing that workers want is to get a full return for their labor, and that is the object of this bill, to give full earnings and not to give what is not earned.

The CHAIRMAN. We are very much obliged to you, Mr. Secretary. (Thereupon, the committee adjourned to meet on Thursday, June 22, 1916.)



Stanford University Libraries



3 6105 119 512 742

STANFORD UNIVERSITY LIBRARIES
STANFORD, CALIFORNIA 94305-6004

GAYLOR

